



Daily Report

Latin America

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11 March 1994

NOTICE TO READERS: Effective immediately, all items published in the Latin America DAILY REPORT are also disseminated in electronic form.
An Ω indicates a Foreign Media Note.

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Mercosur Ministers Issue Communique in Buenos Aires

PY1103023594 Madrid EFE in Spanish 2257 GMT
10 Mar 94

[Text] Buenos Aires, 10 Mar (EFE)—The foreign and economy ministers of Argentina, Brazil, Paraguay, and Uruguay—the member countries of the Common Market of the South (Mercosur)—today conveyed their support for the “full deregulation of trade” among all South American countries.

The Argentine foreign and economy ministers, Guido Di Tella and Domingo Cavallo; the Brazilian foreign and finance ministers, Celso Amorim and Fernando Henrique Cardoso; the Paraguayan foreign and finance ministers, Luis Maria Ramirez Boettner and Crispiniano Sandoval; and the Uruguayan foreign and economy ministers, Sergio Abreu and Ignacio de Posadas, today met in Buenos Aires to discuss this goal.

In a joint communique, the Mercosur ministers agreed “to discuss every available option to promote a comprehensive regional economic integration on the basis of the Brazilian proposal” to create the South American Free Trade Association (ALCSA).

To this end, the ministers decided to meet again in Buenos Aires on 25 March “to make headway toward making ALCSA compatible.” At that special meeting, “the continental projection of Mercosur will be evaluated.”

They agreed on stating that “bilateral or multilateral agreements with other South American countries” with a view to furthering free trade in the region “will be concluded despite other integration agreements those countries may have entered with other countries in Latin America or elsewhere in the hemisphere.”

They also agreed to “maintain close coordination regarding ALCSA and other proposals” as a way of “promoting the participation of Mercosur member countries in agreements relating to them so that a common policy can be implemented.”

The Mercosur ministers also expressed their “support for the full deregulation of trade among all South American countries as an ultimate objective and as a way to promote the incorporation of the region into the world’s and hemisphere’s economy.”

The ministers reaffirmed their support for “compliance” with the Mercosur implementation timetable “as far as the establishment of a common external tariff is concerned.”

Uruguayan Foreign Minister Views Regional Issues

PY1103012894 Buenos Aires LA PRENSA in Spanish
10 Mar 94 p 3

[Interview with Uruguayan Foreign Minister Sergio Abreu by unidentified reporter, “upon his arrival in

Buenos Aires accompanied by Uruguayan Finance Minister Ignacio de Posadas for a Mercosur, Common Market of the South, meeting;” date not given]

[Text] [LA PRENSA] Minister Abreu, what are your expectations for this Mercosur meeting?

[Abreu] The objective of this meeting is to evaluate matters of importance for the integration of the four Mercosur countries. One of the more significant matters is the progress of the technical studies on the common external tariff. Another very important topic is a Brazilian proposal to create a free-trade zone in South America. We will evaluate those topics. Even though this meeting is not being held to meet any formally established deadline, we can also evaluate the progress made in all the integration processes.

[LA PRENSA] What points are creating most disagreement among Mercosur members?

[Abreu] The Treaty of Asuncion divides the integration process into three major parts: The commercial liberalization program, which is being implemented in close compliance with the agreed terms and deadlines; the common external tariff is also on schedule, although a technical definition is still pending—one of the reasons for this meeting is to evaluate studies on this last point. A third controversial point refers to macroeconomic policies and the consolidation of the integration process with liberalization in four areas: goods, services, capital, and labor. This last point is held up by the asymmetries of the four countries. It will undoubtedly be evaluated to see what adjustments and political decisions can be introduced to fulfill the terms of the treaty.

[LA PRENSA] Among the four countries there are problems like the harmonization of the macroeconomic policies and the common external tariff. Do you think it will be possible to agree on a common external tariff by June?

[Abreu] There are disagreements but it should also be noted that we have complied with the commercial liberalization deadlines. This is a really important matter because 82 percent of tariff reductions have already been accomplished and the number of exceptions has dropped, as was expected. External tariff levels are now being studied, as I was telling you, and it should be noted that a consensus has already been reached on 85 percent of the cases to which the common tariff applies. There are pending decisions on fields that can be considered sensitive, in petrochemicals, informatics, and capital goods. We believe by June we will have a technical and political decision on the work and on the fulfillment of deadlines on this particular point.

[LA PRENSA] What will be the Uruguayan position with respect to Mexico?

[Abreu] Uruguay will adopt a very clear position. We want an additional regulation for Article 44 of the LAIA [Latin American Integration Association]—which regulates LAIA's concessions on agreements reached with third parties—not just in the case of Mexico but for all those countries that want to establish relations with nations outside LAIA. We want to be sufficiently realistic, from a political viewpoint, in order to acknowledge this situation. From the legal viewpoint we propose providing an appropriate framework for integration under an umbrella that also includes LAIA.

[LA PRENSA] Does Uruguay want to relieve Mexico from the commitments it assumed with LAIA?

[Abreu] This does not apply just to Mexico. It is an additional regulation for countries that grant concessions to third countries outside LAIA and which engage in negotiations with their partners to compensate for the commercial distortions that may result from agreements signed in the region. It is an additional juridical document that will, or may, apply to those countries which, like Mexico, make deals with countries outside the region.

Cuba

Robaina Continues Visit to Indonesia

Suharto Urges End to Blockade

FL1103033094 Havana Radio Reloj Network in Spanish 0300 GMT 11 Mar 94

[Text] The Indonesian Government has condemned the human rights campaign against our country and supported the resolution to end the U.S. blockade imposed on the island for more than three decades.

During the meeting with Indonesian President Suharto, Cuban Foreign Minister Roberto Robaina, on behalf of Cuban President Fidel Castro, conveyed Cuba's appreciation to Indonesia, and stressed Cuba's satisfaction over current relations between the two countries.

Robaina said that our people appreciate the Indonesian food assistance, namely the shipment of rice. After a 48-hour visit to Indonesia, Robaina left for Laos where he will begin the second leg of his tour of India, Cambodia, Malaysia, Vietnam, and Myanmar, the former Burma.

Concludes Visit, Departs for Laos

FL1003213794 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Mar 94

[Text] Cuban Foreign Minister Roberto Robaina departed for Laos today on the second leg of his tour of the Asian continent, which will include India, Cambodia, Vietnam, and Myanmar, formerly known as Burma.

Before departing for Laos, Robaina gave Indonesian President Suharto a message from his counterpart Fidel Castro, which expresses satisfaction with the current state of bilateral relations. The text expresses Cuba's desire to continue developing ties between the two countries as well as Havana's willingness to find new spheres of cooperation.

During the meeting, Robaina praised Indonesia and its president for their leadership in the Non-Aligned Movement, of which Cuba is a member. Suharto stated that Robaina's visit will help to strengthen relations between the two countries and expand commercial ties.

Extensive coverage has been given Robaina's visit to Indonesia, one of the most densely populated countries of the world, especially by the JAKARTA POST, and the (regional news).

Zimbabwe Vice President Greets Castro

FL1003222394 Havana Radio Reloj Network in Spanish 1500 GMT 10 Mar 94

[Text] Today in Harare, Zimbabwe Vice President Simon Muzenda received the new Cuban Ambassador to

Zimbabwe Pedro Nunez Mosquera and extended warm greetings to Cuban President Commander in Chief Fidel Castro.

Muzenda expressed his thanks for Cuban aid to his country even before its independence. He stressed the positive development of bilateral cooperation between the two countries. The Zimbabwean vice president also praised the successful teacher training program on the Isle of Youth, south of Cuba.

PRENSA LATINA reported that the Cuban ambassador expressed appreciation for Zimbabwean support in the area of international relations, and reaffirmed the Cuban Government's decision to strengthen mutual cooperation.

Ambassadors to Spain, Uruguay Appointed

FL1003160094 Havana Radio Progreso Network in Spanish 1200 GMT 10 Mar 94

[Text] The Council of State has appointed Rosario Navas Morata and Manuel Aguilera de la Paz Cuban ambassadors to Spain and the Oriental Republic of Uruguay, respectively.

Russian Organization Demands End of U.S. Blockade

FL1003213494 Havana Radio Reloj Network in Spanish 1500 GMT 10 Mar 94

[Text] A society of friendship with Cuba was recently created in Russia. One of the objectives of this society is to seek the lifting of the U.S. blockade against Cuba and the development of ties between the Russian and Cuban peoples.

In remarks to PRENSA LATINA, (Anatoliy Burlov), vice president of the organization, said that the legal registration of this society is to promote rapprochement between the two nations in important areas such as culture, tourism, and the probable creation of joint ventures. (Burlov) said that this new society headed by cosmonaut (Vladimir Shatalov) stems from the principles of the previous organization founded in 1964 by Yuri Gagarin.

According to (Shatalov), the main objective of this society is to group the true friends of Cuba for the purpose of defending bilateral cooperation and the interests of the two nations.

Baena Soares Urges Cuban Reinstatement in OAS

FL1003213594 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Mar 94

[Text] Today, in Santiago de Chile, Joao Baena Soares, secretary general of the Organization of American States, called for Cuba's reinstatement in the regional organization. Baena Soares stated that the nineties are not the sixties.

Upon his arrival in Chile, where he will participate in the presidential succession ceremony on 11 March, Baena Soares said: Many things have changed and it is necessary to consider the issue of Cuba's reinsertion into the organization. Baena went on to say that he could not predict the decision of OAS members on the matter and stated that the subject has not been included in the agenda of the general assembly or permanent commission.

Hispasat Satellite Signal Received in Havana

FL1003222294 Havana Radio Reloj Network in Spanish 1500 GMT 10 Feb 94

[By Pio Luis Machado]

[Text] For the first time, the Hispasat satellite signal has been received in Cuba, on educational television, fulfilling one of the agreements of the Ibero-American Summit. This has been achieved as the result of the competent, dedicated work of the expert satellite and optical-link researchers at the Jose Antonio Echeverria Superior Polytechnical School in Havana City.

A relevant fact was that at the first interactive conference in February, outstanding experts of the Medical Sciences Institute received a live satellite signal, enabling them to observe three top scientific-level surgeries.

During the Hispasat satellite transmissions, a doctor observing one of the complex surgeries was able to answer questions on the patient's health condition.

Antiaircraft Defense Meeting Held at Western Unit

FL1003213994 Havana Radio Rebelde Network in Spanish 0100 GMT 10 Mar 94

[Text] A meeting on anti-aircraft defense was held at unit no. 4790 of the Western Army, the best of its kind in Cuba. The purpose of the meeting was to analyze the new types of preparation for command and control elements under conditions of the special period. Furthermore, they analyzed the action to be taken by anti-aircraft defense regiments to repel air strikes while under a military blockade, and to resist systematic demoralization [desgaste sistematico] efforts. The [words indistinct] localization and pursuit of enemy targets, and the preparation of the reserves and Territorial Troops Militia were other issues discussed in this important meeting. Lieutenant Colonel Enrique Garces Montesino highlights the reasons this unit was selected as the site for the meeting.

[Begin Garces recording] During 1991, 1992, and 1993, this regiment achieved the distinction of being the best anti-aircraft defense regiment because of the results obtained in combat training and political preparation, which was demonstrated during an inspection carried out by the Ministry of the Revolutionary Armed Forces in the western territory in 1993. It was rated good, and superior. It was also selected because of its achievements

in the food program, conservation and protection of equipment and armaments, and in improvement of its personnel's living conditions. [end recording]

Social Ills, Economic Crime Discussed

94CA0080A Havana BOHEMIA in Spanish No 3, 4 Feb 94 pp 31-34

[Interview with Aracely Careaga, vice president of the National Commission for Attention and Social Prevention by Mirta Rodriguez Calderon; date and place not given; first 5 paragraphs are BOHEMIA's introduction]

[Text] The rigor with which she approaches her work and the meticulousness that characterizes almost every aspect of her conduct make Aracely Careaga, vice president of the National Commission for Attention and Social Prevention (CNPAS), one of those people who are always seen to be striving toward a goal, dedicated to getting a handle on the future, committed to tomorrow.

Careaga, who is in charge of one of the most sensitive and controversial programs of our time, does not make small talk easily and is not very articulate when it comes to casual conversation; it is impossible to imagine her engaging in hallway gossip. Her personality reflects the rough life in the mining town where she grew up, Matahambre, but her bright eyes also occasionally reveal a natural exuberance and a *jolie de vivre*.

Perhaps that is why, whenever she talks at a gathering, whenever she visits provinces and municipalities to make criticisms here and to call for changes there, and whenever she gets excited about a project that is coming along nicely and people who are making improvements, I think back to when she headed that first group of women who, in the 1970's, went to Angola to lend a hand and to put their lives on the line for internationalism. She would go on to fulfill other missions there.

First she was a telephone official, then a leader of the Federation of Cuban Women (FMC), then a Party official, then back to the Federation, then a deputy to the National Assembly for a while. Aracely Careaga had a close relationship with Vilma Espin for many years, during the times (separated by nearly three five-year periods) when social work attained institutional status.

Originally a teacher, she earned a university degree in social sciences. The vice president of the CNPAS agreed to answer questions for BOHEMIA to shed light on social issues that have been steeped in controversy, provoking many discussions these days: Will theft and corruption continue to run rampant, or will decent people who are inspired by the revolution finally prevail?

Urgent Action

[Rodriguez Calderon] Many people believe that crimes against the economy, the rise of the black market, unofficial trading, and theft of all kinds are growing and multiplying, encouraged by the general atmosphere of

indolence and permissiveness. How does the vice president of the CNPAS react to these opinions, which are obviously based on views of reality?

[Careaga] It is clear that these crimes, negative acts and behaviors, thefts and diversion of resources have arisen out of the lack of control and enforcement, and the indolence of those who are responsible for the people's property. All of that, plus the presence of unscrupulous individuals who take advantage of our plight to line their own pockets.

There is no doubt that many of the items sold for exorbitant prices on the black market have been taken from state units, enterprises, and warehouses that are feeding that market.

The most serious repercussions of theft are not economic but ideological, because the first ones to be corrupted by the people involved in that are their families. The social cost of these acts is so high that, in my opinion, if there is no authority, we must seek the authority to take action against them, and do it right away. I think we must act from the top down, and I emphasize that phrase because we must start from the top. We must respond forcefully: enforce existing state control mechanisms and implement new ones if those do not work.

We must impose the appropriate penalties on officials and administrators who are unable to account for the resources entrusted to them, and most importantly, it is necessary that the fight against economic crime in the workplace be waged by the masses, to counter certain attitudes of acquiescence and complicity with a strong offensive.

[Rodríguez Calderon] For several years, since they were restructured in 1986, the Social Prevention Commissions have worked, in some provinces more than others, to save people, to put those who have committed crimes and taken the wrong path back on the right track. Yet crime is on the rise, and there are more and more criminals. In view of that fact, do you and your associates have doubts about the effectiveness of the work of the CPAS? What is your assessment of this situation?

[Careaga] To understand certain problems, the rise in crimes such as theft and larceny, it is necessary to begin with an analysis of the complex situation we live in, under the conditions of the special period, the restrictions and shortages of all kinds that we face. That causes an increase in crime and in the number of offenders.

At times like this, when our people are undoubtedly responding positively, there are some who choose the easiest path, who twist and corrupt, who reject honest work and profit at the expense of those who do work and build.

These developments should not lead us to the erroneous and subjective conclusion that the political, preventive, and social work carried out by the commissions as well as other agencies and organizations in our society are not

necessary or effective. Examples abound of individuals who once chose the wrong path but have been given a chance, have mended their ways, and are now useful citizens in society.

I think that one very encouraging sign we can point to, in contrast to those undesirable realities, is the fact that there is very little juvenile delinquency, and the proportion of juveniles among offenders in general is steadily decreasing.

Strategies to Combat Alcoholism

[Rodríguez Calderon] Tell me some good news. Give me some examples of the CPAS's primary objectives for the near future

[Careaga] There is a lot of good news all over the place; in all provinces, we are working enthusiastically on our greatest problems. The alcoholism program, for example, is a strategy that is well under way.

Of course, everyone knows that this is no easy task, especially in some parts of the country, such as the eastern provinces, where alcoholism is prevalent. We must put a stop to the trend we are seeing among young people, who drink for the sake of drinking, and who think they have to drink to have fun. We must research this phenomenon further, but studies that have already been done show that the vast majority of alcoholics started young, were youthful drinkers.

I am very hopeful about the work that is being done, that has already begun, in education. Social prevention must begin in school and continue from there.

There are examples of successful projects in Villa Clara, in encouraging people to spend their free time with their families and engage in recreation with them: in Sagua, in Caibarien, in Placetas.... In Las Tunas, efforts to treat and rehabilitate individuals with deviant, antisocial, or criminal behavior have been outstanding; terrific work is being done there. In Matanzas, valuable experience has been gained in work with youngsters. I could enumerate, one by one, important and far-reaching projects that are being carried out in practically every province....

People Come First

[Rodríguez Calderon] You, personally, in your work, see the gloomiest side of life, where people suffer, commit crimes, become alcoholics, are deprived, commit suicide, or lose some of their humanity. How do you, as a woman, deal with these situations? How do you maintain your optimism so that you can go on living? What are the positive aspects of doing this kind of job?

[Careaga] I face it without pessimism, and with a great deal of objectivity. I am convinced that our work is necessary, because we are helping to save a misguided child or teenager, to find the seed of improper behavior and eliminate it before it grows into a crime, to extend a hand and give a second chance to someone who made a mistake and is willing to change. But I am also aware that

there are people who are not capable of being guided, trained, educated, or reformed so that they can be put on the right track.

It is true that we work on the gloomy side of life, but that does not discourage me or undermine our optimism. Because we feel rewarded when teenagers or youngsters with problem behavior or criminal activity are saved by the proper help and attention, and today are workers or students; some of them have fulfilled internationalist missions. And above all, because we have children and young people who fill us with pride.

[Rodriguez Calderon] Do you think our society is healthy? Explain your opinion.

[Careaga] Without any hesitation whatsoever, I can say that ours is one of the healthiest societies in the world. Because we can be proud of the fact that we have no street urchins or child prostitution or pornography; no children are kidnapped to become involuntary organ donors; there is no drug addiction, begging, or unemployment; we do not have children who have no school to go to, or people who die for lack of medical care.

Moreover, we have young people who go to school, work, and make contributions to science; who spend part of their vacation time doing volunteer work for the food plan. Ours is a dignified and honorable society, a society, in short, where social justice prevails, and where people come first.

Haiti

FNCD, Conacom at Odds Over Parliamentary Plan

FL1003195194 Port-au-Prince Signal FM Radio in French 1130 GMT 10 Mar 94

[Excerpts] The National Front for Change and Democracy, FNCD, has taken a stand against the parliamentary plan. The FNCD says it stands by its 16 February proposal, which is a realistic compromise that can get the country out of the deadlock. Daly Valet had a talk with Senator Turneb Delpé and filed this report:

[Begin recording] [Valet] The FNCD is experiencing a bad moment, a moment when there is so much confusion that FNCD grassroots organizations and deputies who were close to the front want to distance themselves from the FNCD. This confusion has prevailed within the FNCD since the National Congress of Democratic Movements [Conacom] deputies and leader [Victor Benoit, also an FNCD spokesman] decided to support a parliamentary plan for resolving the crisis.

Sen. Delpé, an FNCD spokesman, broke silence to say that they [not further identified] will solve all the problems being faced by the FNCD. As for the parliamentary plan, Delpé says it is dangerous. He says it is bad tactics for the parliamentarians to engage in the negotiations so directly as to propose a plan for resolving the crisis.

[Delpé] I think that, after the Washington agreement and the Villa d'Accueil agreement, the Haitian parliament should have drawn conclusions, learned a lesson, from the experience and not involved itself again in any direct negotiations. Besides, now there is the Governors Island agreement, which has defined the role the parliament must play in the crisis: that is, pass the laws ensuing from the Governors Island agreement.

I believe it would be in the interest of the parliament to set limits for itself so that it does not bear the brunt of this crisis once again. If things are tangled, I believe the only step the parliament should take now is to find a way to prompt the two protagonists to shoulder their responsibilities to disentangle the country. [passage omitted]

[Valet] Evans Paul and Turneb Delpé, two of the FNCD's [three] spokesmen, have signed a press release asking the parliament to take President Aristide's position into consideration—otherwise there will be no compromise, they said.

As regards the position of Conacom, which has said it supports the parliamentary plan, Sen. Delpé says Conacom is an autonomous party within the FNCD and has the right to take its own position in an autonomous way. According to FNCD spokesman Delpé then, Conacom's position is not the FNCD's. [passage omitted]

Thus, through two of its spokesmen, Evans Paul and Turneb Delpé, the FNCD has reiterated its determination to see President Jean-Bertrand Aristide return to Haiti. [end recording]

Senator Osny Eugene Charges Accounting Irregularities

FL1003213294 Port-au-Prince Signal FM Radio in French 1130 GMT 10 Mar 94

[Passages within italics in Creole]

[Excerpt] Senator Osny Eugene says he has discovered several irregularities in the files of the Haitian Senate's accounting department. Osny Eugene, quaestor of the office presided over by Bernard Sansaricq, says he is setting the institution in order.

[Begin Eugene recording] *...is that all those sections were enclosed in a big accounting department. Well, there are a number of irregularities that they [not further identified] will be unable to discover because the accountant was both the person in charge of spending the money and the bursar.*

I must tell you that a partial audit led us to realize that from May to December there were at least four persons—including two who have died and two others who were dismissed—for whom paychecks continued to be written. We are just now setting things in order. We do not intend to harm anybody. We do not intend to dismiss anybody but we are setting things in order, even if it does mean that

in the near future we will (have to) convert some employees, by putting them in the right place. [passage omitted] [end recording]

Sansaricq Accuses Jean-Louis Office of Embezzlement

FL1003231794 Port-au-Prince Radio Metropole in French 1145 GNT 10 Mar 94

[Text] Cloudy skies and threats of a storm appear in the Senate of the Republic. The political forecast does not predict any break in the clouds. With two presidents for one office, it is a real predetermined battle that the two groups of senators, including those elected on 18 January, are engaged in for control of the office. Both teams confront each other on the air with public accusations.

On 9 March, the office of Senator Sansaricq made a point of bringing the battle into the realm of management by the other president, Firmin Jean-Louis, and Quaestor Larosiliere. Referring to some preliminary results of an audit in progress on Jean-Louis' management, Bernard Sansaricq is already accusing these colleagues of embezzlement, and is threatening to engage Justice.

[Begin recording] [Sansaricq in Creole] The former office, which was acclaimed by Caputo and Despuy, but which was not constitutionally elected in compliance with the internal rules and the Constitution, from 10 August to 4 February blocked not only the Senate of the Republic, but also the country. We have found corruption in that administration—what else can I tell you? I will tell you to wait until the audits are over because the same thing happened in Brazil, where 20 legislators are in prison because of corruption. When the audit is over, you never know what can happen. I am determined to take things all the way.

[Correspondent Jean-Max Blanc in French] Since you compare the current situation within the Senate with the situation in Brazil, do you think the Haitian senators will have the same fate as the Brazilian senators?

[Sansaricq in French] Once we definitively establish proof, yes. Once we establish proof, contact our lawyers, and meet with the public prosecutor, definitely yes. I am determined to do that. [end recording]

Chamber of Deputies Supports Jean-Louis Office

FL1003233494 Port-au-Prince Radio Metropole in French 1700 GMT 10 Mar 94

[Text] Firmin Jean-Louis, the president of the first Senate office has received the support of the president of the Lower Chamber. The president of the Chamber of Deputies has stood in favor of the office presided over by Firmin Jean-Louis. Frantz Robert Monde, who leads the debates in the Lower Chamber, has called the senators to their senses. While reminding them that the deputies are willing to work for a solution to the political crisis, Frantz Robert Monde invited the senators to join the deputies in their position. Frantz Robert Monde is interviewed by Edner Jean:

[Begin recording] [Monde] The deputies have risen above it. If a solution is still being blocked, the fault does not lie with the deputies who knew how to rise to the aspirations, expectations, of trust vested in them by the people. Despite divergences in political and ideological opinion, the deputies found a common denominator for the interest of the nation and voted strategies for alleviation of the crisis. [In Creole] It is an opportunity for me to thank the great men of this Chamber of Deputies, while calling on the wisdom of the senators so they can understand [back to French] that the others, those who are before us, have every interest in widening the gulf within our institutions to prove that we Haitians cannot do well. There is one office, plus a group of dissident senators.

[Jean] Which office is that?

[Monde] The office of Mr. Firmin Jean-Louis. I received a letter from Ebrane Cadet, who is the first secretary of both offices—he is the only winner. He is first secretary in Jean-Louis' office, and first secretary of my colleague, Sen. Bernard Sansaricq, with whom I have some deep geographical ties and a certain similar political view.

I do not think it is up to the president to take a stand on this matter, but rather it is up to the assembly, despite the fact that I represent the majority in this chamber. I think that the 18 January senators have a chance with their plan, which provides for a prime minister not from Aristide's ranks, who will be a more-or-less neutral prime minister. We will not find him. [as heard] However, he will have influence on the arbitration committee. [end recording]

Movement for Integration of Women Launched

FL1103001094 Port-au-Prince Radio Metropole in French 1700 GMT 9 Mar 94

[Excerpt] In Port-au-Prince, a movement led by Attorney Mireille Durocher Bertin for the integration of Haitian Women, at a ceremony at the El Rancho Hotel, set as its objectives establishing a long chain of solidarity among Haitian women of all social classes. The organization aims for real integration of women into society, promotion of Haitian culture, returning self-confidence to women through specific programs to provide them access to health, education, and productivity.

The inauguration of the Movement for Integration of the Haitian Woman [Mouvement pour L'Integration de la Femme Haitienne] was marked by a reception at the El Rancho Hotel. On this occasion, presentations were made on the situation of women in Haiti, their role in the economy and in the family.

Researcher Gilbert Valme calls for a new social contract between the patriarchal and matriarchal systems, a way, according to Mr. Valme, of assuring a better future for Haitian children. Other speakers, engineer Ginette Mathurin and Attorney Mireille Durocher Bertin, spoke of the role of women in the economy, in the peasant environment, and of their legal status. [passage omitted]

Peruvian Union Opposes Joining NAFTA

PY0903165794 Madrid EFE in Spanish 1802 GMT
8 Mar 94

[Text] Santiago, 8 Mar (EFE)—The most important labor federation in Chile announced today its opposition to Chile's entry into NAFTA, the members of which are the United States, Canada, and Mexico.

Manuel Bustos, president of the United Labor Federation (CUT), said it would be more advantageous for Chile to sign a bilateral agreement with the United States, as joining NAFTA would imply "the transfer to Chile of all the deficiencies of that agreement."

The Chilean labor leader said that entrepreneurial interests prevail in NAFTA, which is structured in such a way that all sanctions for violations of workers' rights "are impossible to implement."

In the past weeks Chile has been mentioned by U.S. officials as the leading candidate for joining NAFTA.

The CUT president made these remarks in accompanying representatives of the U.S. labor organizations

AFL-CIO to a meeting with Chilean President-elect Eduardo Frei, who will be inaugurated on Friday.

The Chilean labor leader said that Frei told them he intends to create a tripartite commission, made up of representatives of workers, entrepreneurs, and the government, to discuss the possibility of joining NAFTA.

The representatives of the AFL-CIO, which has a membership of 17 million workers, said they do not support Chile's entry into NAFTA because they believe the agreement has inadequate social protection clauses.

AFL-CIO executive director William Doherty, who heads this organization's delegation to the inauguration, said his country's workers were hurt by NAFTA because of the low cost of Mexican labor and Canadian advanced technology.

The U.S. leader said negotiations between Mexico, Canada, and the United States over NAFTA did not take into account the social situation of the three countries, adding that the discussion only involved "multinationals interested in protecting the capital."

PRI Outlines 1994 Electoral Platform

PA1003145794 Mexico City *EL FINANCIERO* in Spanish 7 Mar 94 pp 54, 55

["Text" of Mexican Institutional Revolutionary Party electoral platform for 1994-2000: "Certainty, Responsibility, and Change for Mexico"]

[Text]

Electoral Platform 1994-2000

Society demands certainty and security. It wants to face the future with clarity and without fear; society wants job and income security; security for its savings and investments; society wants security in its daily life and wants certainty in the institutional order, in politics, in the exercise of its rights, and in the work of the authorities.

Society demands recognition of its maturity and capacity to cooperate and assume public responsibilities. It wants to actively participate in national progress but also demands greater responsibility from the parties, from which they expect democratic consensus, definite commitments, and reasoned proposals. Society demands from the authorities honesty, social sensibility, efficiency, and strict observance of the law.

Society is willing to take on the challenges of change. It knows it must reform to move ahead. It values the efforts made, but it demands to go further. Society is aware that the bases have been laid down for a better future, but demands greater well-being, justice, and increased opportunities.

In the face of these demands for certainty, responsibility, and change, the Institutional Revolutionary Party [PRI] makes the following commitments:

Mexico's Democratic Transformation

Mexico's democratic transformation is our answer to the challenge to build an institutional and political order that gives the nation certainty. It is our answer to the demands for an open and responsible authority. It is the government's responsibility to guarantee security, order, and the framework of stability that democracy requires. It is up to the parties to work to build a proper and legitimate representation of social needs. It is up to society to encourage tolerance, legality, and openness in electoral processes. The effective exercise of his or her political rights through responsible participation is up to each citizen.

Democratic transformation is an overall process that extends to all spheres of social life, and particularly to the electoral processes.

Our pledge is to specifically encourage open electoral processes and seek a confident vote through institutional and civilized competition with other political options.

In order to consolidate democratic transformation the PRI assumes that it is necessary to:

- Have full respect for public and private freedom.
- Favor the free expression of ideas.
- Encourage social well-being.
- Establish clear and fair rules for electoral processes.
- Motivate a culture for legality, dialogue, and the recognition of plurality.
- Encourage broad citizen participation.

Guarantee Mexico's Sovereignty and Interests in the World

Mexico is a sovereign State whose independence, unity, and integrity has been the work of generations. Our commitment is to strengthen the nation's sovereignty in the changing conditions of this century's end.

There cannot be, nor should there be a separation between domestic and foreign policy. In the domestic sphere, sovereignty is upheld by the full exercise of political liberties, the keeping of the law, in the democratic exercise, and in a vigorous economy that should be the source of well-being and social justice. Internationally, fidelity to our principle of people's self-determination; no intervention; the peaceful solution of controversies; the prohibition of the use of threats or force in international relations; the states' equality before the law; international cooperation for development; and the struggle for peace and for international security have won us the respect and acknowledgement of the world community.

To strengthen the nation's sovereignty the PRI makes a commitment to:

- Recognize that the nation's highest values and its first responsibility lie in the acknowledgement of sovereignty.
- Maintain the nation's direct control over the energetic resources and the state's control over the strategic areas pointed out in the Constitution.
- Act in strict compliance with our constitutional principles on foreign policy.
- Encourage international cooperation under shared opportunities and responsibilities.
- Sponsor our culture to reinforce the nation's identity and unity.

Strengthen a Stable Economy

In the process of economic change and trade opening, the state cannot leave aside its responsibilities, the state must maintain a framework of macroeconomic stability and guarantee opportunities for creativity's free development and social initiative. The state must also promote savings and investment; foster productivity; broaden regional infrastructure; support the modernization of micro, small, and medium businesses; promote job training; watch over the strict compliance of work regulations; and generate favorable conditions for salary betterment.

The challenge in economic and social matters is to increase well-being, income, and the quality of life for all Mexicans. It is necessary to generate more and better

jobs, increase the true salaries, and undertake an active social policy oriented particularly toward the groups that require greater support so they may be incorporated into the benefits of growth.

We should be responsible with what we have already achieved in the economy, preserve it, and construct a new horizon of possibilities, without losing sight of the social objective that gives significance to all productive activity. Our commitment is of a responsible economic policy that is at the service of mankind, particularly to the less favored individuals and groups.

For the development of a strong economy, the PRI promises:

- To guide the economy with a clear sense of responsibility to face the needs of the present and future generations.
- To promote stable economic growth that can lead to social welfare.
- To fight poverty and backwardness.
- To promote the creation of more and better jobs.
- To increase productivity and the income level of the population.
- To support the efforts of companies and guarantee fair competition.

Balanced Regional Development

The Mexican nation is made up of multiple regions with their own productive characteristics and traditions. The strength of the nation is the strength of its regions. To take full advantage of the potential of our regions is a fundamental condition for our economic growth and social welfare. There is no reason to justify the difference in opportunities between the rural and urban areas and among the various regions of the country. Utility services, education, health, and job opportunities must be distributed throughout the entire national territory.

True regional development also requires a rational and careful exploitation of our natural resources. Each region, each community, each corner of our country is a unique expression of opportunities, culture, talent, and natural resources. The wealth of our national development lies in the natural, cultural, and social heritage of our regions.

We promise to close the gap that separates our rural reality from urban life, preserving the natural conditions for the development of future generations.

To promote regional development, the PRI promises:

- To support a balanced development that can integrate the various regions of the country with the national and international markets.
- To expand the communication and transportation infrastructure.
- To carry out actions aimed at improving the quality of life in urban areas.
- To expand economic development opportunities and improve social welfare levels in rural areas.

- To take advantage of the natural resources of each region in a rational and well-balanced manner.

Social Reform

Our party's basic aspiration is to improve the quality of life of those who face the greatest deprivation and limitation. The economic progress of the last few years places us in a favorable position to begin an extensive and profound social reform. Our main investment must be in the people so that each citizen can fully develop his own abilities.

All Mexicans deserve to live in dignity, to enjoy the hope of improvement and the true opportunity to develop as an individual. Not only does poverty affect those who suffer it, but it weakens and harms the nation. Our commitment is to engage in a head-on struggle against poverty, in order to be able to fill the needs and provide basic services for the poverty stricken communities, and expand the government's protection and social development network to the whole population.

The Indian communities will receive all our support and respect. Their shortages will receive special attention from our social reform. We join their struggle to improve their production opportunities, to increase social well-being, and ensure respect for their rights. We are also convinced that the Indians must participate more decisively in the direction of their communities and in the development of policies for solving their problems and attaining their goals.

The struggle against poverty is the government's single most important social responsibility. Furthermore, this task must bring the people and the volunteer and self-improvement social organizations together, so they can participate and become a part of the grand joint alliance in search of unbiased prosperity.

Our commitment is to a social reform program that can improve the quality of life of those who face the greatest deprivation and limitation, and guarantee opportunities for well-being and progress for all.

To aid in the development of this social reform plan, the PRI hereby makes the following commitments:

- To fight poverty and promote progress for those who have less.
- To actively develop policies that offer support for the Indian, with direct participation from the Indian communities themselves.
- To struggle for equal job, education, housing, and well-being opportunities for all social groups alike.
- To expand and improve health, nutrition, housing, and social security programs.
- To promote social support programs for groups with specific needs, according to gender, age, or personal condition.
- To summon the most wide-spread citizen participation in social development programs.

Education for Development and Competition

In view of the economic modernization process and growing international competition, we embrace the obligation to expand and improve our education system. Qualified education, available to everyone, is essential in order for changes to be the foundation of additional economic development and social well-being.

Education must be the channel leading to full development and the creativity of all Mexicans. It must disseminate our values and assert our history as well as confer a sense of permanence and national pride. It must also be the point of contact between our society and humanist tradition, universal culture, scientific vision of the world, and technological developments.

We are committed to a nationalist and federalized type education; an education with quality, sufficient resources, a teaching profession endowed with decent living conditions and permanent training programs. Our commitment is to unquestionably promote and encourage scientific and technological development as well as training programs which must be linked to the productive sector.

Our commitment is to an education system that will open the doors to social mobility, justice, economic progress, and national fortitude.

In order to achieve an education system that will propitiate development, the PRI is determined to:

- Support a nationalist and federalized education.
- Promote quality education that is made available to all Mexicans.
- Encourage work related training programs.
- Link scientific investigation and technological development to all productive sectors.

A New Equilibrium in the Republic's Life

Mexican society's new economic and political configuration requires an institutional system capable of proclaiming social initiatives, individual rights, and public actions. Today, more than ever, there is need for public institutions that will acknowledge the average citizen's potential, as well as society's energy.

The republic's new equilibrium demands government reforms. We are in need of a government system that is in touch with civilian society, capable of providing effective answers through a public administration that is modern, professional, and respectful of justice.

The Republic's new equilibrium demands self-respect in political life through the strengthening of a Legislative Branch that will be effective in truly representing social positions and contribute to promoting social benefits. It also demands that the institutions responsible for handing out justice will be able to consolidate a framework of trust and confidence in the legal system and the public authorities. We are in need of a more expeditious justice system, one committed to defending the individual's rights.

In order to accomplish this new equilibrium in the Republic's everyday life, the PRI is committed to:

- Proposing government reforms that will consolidate a public administration system that is more modern, expeditious, professional, and respectful of justice.
- Acknowledging the political capability of every institution and every municipality as well as increase their respective fiscal resources which will lead to modernizing federalism.
- Strengthening the Legislative Branch and guaranteeing an expeditious justice system available to all Mexicans.
- Improving public safety within a framework of respect for the individual's rights.

Today, just as during other moments of our history, the PRI is adopting commitments that society demands by presenting concrete political proposals. Through Luis Donaldo Colosio, our candidate for the presidency of the republic, through our candidates for deputies and senators, we are going to confront the current challenges with responsibility. Today, the PRI once again can rely on the people's support in order to continue building a future of certainty and better opportunities for our children. We reiterate: Our only commitment is to Mexico.

Chiapas Natives Close Churches, Demand Bishop's Departure

PA1103050094 Mexico City *EL FINANCIERO* in Spanish 10 Mar 94 p 60

[Report by Gabriela Coutino and Jaime Aviles]

[Excerpts] San Cristobal de las Casas, 9 Mar—[passage omitted] San Cristobal's 50 Catholic churches were symbolically closed down early today with Civic Front pamphlets from the authentic coletos [natives of San Cristobal de las Casas, Chiapas].

Moreover, according to the local Attorney General's Office, 10 Indians, who are members of the Christ's Renewal Evangelical Church in Las Margaritas Municipality, were beaten up and arrested "reportedly for religious reasons."

In Ocosingo—where approximately 20 journalists were detained by federal Army members en route to the San Miguel ejido where they were going to try to interview Marcos [preceding word published in italics]—local cattlemen met all day long to discuss the sale of their land, and they threatened to seize the Santo Domingo Convent, which is under Father Pablo Irribarren's authority.

[passage omitted]

Churches Closed

"Catholic brethren: This church and all the churches in the city will remain closed, starting today, until Bishop Samuel Ruiz leaves the city, Chiapas, and Mexico. He is responsible for the squatters' conflict and the war in the region.... Pray with your family at home because God

knows you are with Him and God is everywhere. Coletos Civic Front Against Destabilizers."

This is the message that was used today to paper 50 Catholic churches in San Cristobal. Many of the churches are controlled by neighborhood groups according to a tradition which dates back to the 1940's. Most of the parishes, however, worked normally throughout the day, except for La Merced and San Francisco, where the priests did not have the keys to the outer doors.

Witnesses said municipal employees were seen last night near the churches, where they left the Civic Front's messages. The messages were photocopies of a legal size page printed on an offset machine. Local journalists said the work might have been carried out at the weekly LA NOTICIA's printing shop because it has supported the movement against the bishop.

Furthermore, a message from the "authentic coletos," the San Cristobal Civic Defense Group, whose existence was unknown until yesterday, was distributed by hand today. It is an open letter to President Salinas de Gortari, Governor Javier Lopez Moreno, and Mayor Jorge Mario Lescieur Talavera with new measures to pressure Bishop Samuel Ruiz Garcia. "Our children will not attend school because of safety and public health reasons, even if this grieves us very much, as long as the squatters are not evicted from urban areas in the municipal capital. We would rather see our children alive than being used as human shields by the invaders who came from various geographic regions to provoke us."

The document, signed by lumber businessman Ricardo Diaz Martinez, who became rich by exploiting the Lacandona jungle forests, warns that the decision "is mainly aimed at recovering the native's dignity, given the constant aggression of subversive groups that, logically, are led by Bishop Samuel Ruiz."

Meanwhile, Governor Lopez Moreno urged all the local groups in Tenejapa, his home town, to "declare a truce and prevent violations of the law and the disruption of public peace in the region." He said: "The fact that a native of Tenejapa was appointed state governor" proves things are changing in Chiapas. In his opinion, this proves "the poor also have the right to achieve power in Mexico."

Bishop Ruiz: Peace Accord To Be Signed 14-15 Mar

PA1103133094 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 10 Mar 94

[From the "Good Morning From Mexico" newscast]

[Text] It is quite probable that the peace dialogue may be resumed next week in Chiapas. The situation in the upper part of this state is apparently calm. Mario Meneses has a report.

[Begin Meneses recording] Everything is calm before the holding of the second stage of the peace dialogue. The Chiapas residents do not want any more temporary governments and have also requested elections this year. In Oaxaca, Bishop Samuel Ruiz said a peace agreement will be signed in Chiapas between Monday and Tuesday of the coming week.

Also, there are so-called civicos that are being given out in San Cristobal to keep persons from going to church, because there is no talk of the world of God, only politics. Some groups have threatened to burn the San Cristobal Bishopric unless Samuel Ruiz leaves. [end recording]

Morelos I Satellite Replaced by Solidaridad I

PA1103140794 Mexico City XEW Television Network in Spanish 0430 GMT 9 Mar 94

[Report by Rocio Gonzalez Trapaga; from the "24 Hours" newscast; passages within quotations are recorded]

[Text] Communications and Transportation Secretary Emilio Gamboa Patron on Tuesday presided over a ceremony to retire the Morelos I satellite from its geostationary orbit, thus ending its nine-year life span. Following the ceremony held at the Joint Telecommunications Complex [Contel] Satellite Control Center in Ixtapalapa, Secretary Gamboa spoke on the importance of the Solidaridad I satellite, which replaced Morelos I.

[Gamboa] "I would say we will take an important step in productivity and efficiency, as demanded by Mexican society and the entire world. I am sure the finance, education, trade, and educational sectors will be better prepared, and they will be much more productive and competitive with the Solidaridad I satellite."

He said the range of services offered by Solidaridad I will render every sector of the country more efficient, and he announced that the Solidaridad II satellite will be launched in October.

[Gamboa] "I am very pleased that the Solidaridad I satellite will primarily help in social aspects which are needed by Mexico today—in the education and rural telephone communications sectors."

At the farewell ceremony for Morelos I, Mr. Andres Massieu, assistant secretary of communications and technological development at the SCT [Communications and Transportation Secretariat] spoke of a new generation of satellites.

[Massieu] "It make it possible for us to meet the challenge of extending telephone service to rural areas with smaller, low cost telephone exchanges to meet the needs of communities that have less than 500 inhabitants, are scattered throughout the national territory, and have critical communication problems due to the country's geography."

Roger Diaz de Cossio, special projects coordinator at the education secretariat, spoke of the high school television service that reaches more than 8,000 schools.

[Diaz] "High school education through television is the only education service we offer the underprivileged and poor with a better quality than that of conventional services."

He said this is an economic education model that makes it possible to provide a high school education to a town with 500 residents and a junior high school from which only 10 students graduate each year. He said states such as Oaxaca, Chiapas, Durango, and Veracruz have three to five times more high schools using the television system than the conventional system. He said the high school television system is the only option to improve the service in Indian zones. He pointed out that only by

expanding this service and attending the needs of elementary and junior high schools every year, will we allow the Mexican people to have a 10th grade education average. He said that 1994 will be an important year during which 10,000 parabolic antennas will be installed in high schools using the television system, and a digital system will be used to transmit and receive the signals.

Mr. Roberto Hernandez, chairman of the Mexican Banker's Association said:

[Hernandez] "The government thus reaffirms its firm determination to guarantee that telecommunications will become a powerful catalyst for the competitive spirit our economy needs."

The ceremony was also attended by Telecomm [Telecommunications of Mexico] General Director Carlos (Neri Teran), as well as businessmen and Televisa representatives.

El Salvador**FMLN Stops Entrance, Exit From TSE Building***PA1003225594 San Salvador Radio Cadena YSKL in Spanish 1928 GMT 10 Mar 94*

[Text] There are problems right now at the Supreme Electoral Tribunal [TSE]. Magistrate Eduardo Colindres has confirmed that members of the Farabundo Marti National Liberation Front [FMLN] and residents from several municipalities in the northern part of the country, especially from Chalatenango, are not letting people preparing for the 20 March elections to enter or leave the building. Dr. Colindres, who refused to comment on his current status, only said they are preventing TSE personnel from leaving the building.

[Begin recording] [Unidentified reporter] Dr. Colindres, we received a telephone call at the radio station informing us of problems at the TSE facility. Apparently the people from the northern part of the country have taken hostage the people who work at the facility. Please, can you confirm the real situation at the tribunal?

[Colindres] What happened is that FMLN leaders Mr. [Francisco] Jovel and Mr. Gerson Martinez arrived with a group of people. I do not know where they came from or how many there are because I have been unable to leave. Some were armed when they entered the building. They said they would not allow anyone from the tribunal to come or go. This apparently relates to four municipalities in Chalatenango, namely Arcatao, San Jose Las Flores, San Isidro Labrador, and Nueva Trinidad, where the Supreme Electoral Tribunal has decided the elections will be held at the departmental capital, which means in Chalatenango. The decision was made because members of the four municipal electoral boards and the Chalatenango Electoral Board requested it. I am going to read the text of their request. Because there are few residents in San Isidro Labrador Municipality and the municipality lacks means of communications, we request permission to relocate our voting center to the capital of the department so the elections can be held successfully. Based on this request and bearing in mind that most of the population lives in the capital of the department, the tribunal decided to hold the elections in Chalatenango. I understand these people do not want anyone here to come or go until they are received.

[Reporter] What is your current status inside the tribunal?

[Colindres] I would rather not say. The only thing that is clear is that they are not allowing anyone to come or go.

[Reporter] In addition to the personnel and the magistrates who are inside the building, are there other people there who may have been filing voting card application forms?

[Colindres] Yes, I understand there are people here who do not work for the tribunal and who are not being allowed to leave.

[Reporter] Have you been able to confirm if the armed people are not allowing the people to come or go?

[Colindres] Several armed people did in fact enter the building, but these people, along with Mr. Jovel and Mr. Gerson Martinez, have already left the building. I understand these people are still outside.

[Reporter] Do you have any idea how many people are outside the building?

[Colindres] I have not gone outside. I did not want to go outside to avoid any unfortunate incident.

[Reporter] What is being done at this time to resolve this problem? Are any Onusal [UN Observer Mission for El Salvador] people there already?

[Colindres] There are Onusal people here, and we believe the Onusal must intervene to defend the human rights of the employees and all the people who are inside the building. [end recording]

Roundup of Electoral Developments*PA1003183294*

[Editorial Report] The following is a compilation of reports on developments related to the Salvadoran elections scheduled for 20 March 1994.

President Alfredo Cristiani asked fellow party members to be cautious in view of the results of the latest surveys, which show the party that took him to power in first place. He asked his party members not to decrease the campaign's intensity despite the favorable results shown by the latest surveys. Armando Calderon Sol, presidential candidate for the Nationalist Republican Alliance, Arena, was more optimistic, however. He said his party will be able to win in the first round. (San Salvador Canal Doce Television in Spanish 0300 GMT 3 Mar 94)

Arena Presidential Candidate Armando Calderon Sol promised to develop tourism and the fishing industry in Usulután Department if he wins the 20 March election. Calderon made the statement in Jiquilisco, located 90 km from the capital, on 6 March. (San Salvador LA PRENSA GRAFICA in Spanish 7 Mar 94 p 5)

At least three recently created political parties run the risk of disappearing following the 20 March elections because, judging from the recent surveys, they still do not have the minimum number of votes required by law. The three parties —MSN, National Solidarity Movement; MUN, National Unity Movement, and the MADC, Authentic Christian Democratic Movement— have not yet obtained 1 percent of the votes, which is necessary to remain active in politics. (San Salvador Canal Doce Television in Spanish 0300 GMT 3 Mar 94)

Edgardo Rodriguez, MSN presidential candidate, said the latest surveys conducted by private universities lack credibility. He said the MSN will not get 1 percent of the votes in the next elections and added that there could be surprises on election day. (San Salvador Canal Doce Television in Spanish 0300 GMT 3 Mar 94)

Ruben Zamora, presidential candidate for the Democratic Convergence, the Farabundo Marti National Liberation Front, and the National Revolutionary Movement, said the results of the latest surveys show there will be a runoff presidential election because no one will get enough votes to win in the first round. He added that the final vote will be between Arena and the Democratic Convergence. (San Salvador Canal Doce Television in Spanish 0300 GMT 4 Mar 94)

Presidential candidate Ruben Zamora visited Zacatecoluca, La Paz Department, on 6 March and promised more credit for the agriculture sector and development projects if he wins the election. He made the promise during a rally held at the Jose Simeon Canas Park in Zacatecoluca. (San Salvador LA PRENSA GRAFICA in Spanish 7 Mar 94 p 4)

Presidential candidate Ruben Zamora said the United States has remained neutral with regard to the Salvadoran elections. For the first time the United States will not support any candidate because it does not perceive any threat from any of the candidates, Zamora said. Washington has stated that it "will work with any candidate who wins the election," the leftist candidate said. (Mexico City NOTIMEX in Spanish 2302 GMT 8 Mar 94)

Fidel Chavez Mena, presidential candidate for the Christian Democratic Party, promised to eliminate the Value-Added Tax and freeze the prices of staples during the first six months of his administration if he wins the election. Chavez Mena made the promise during a rally held in Chirilagua, San Miguel Municipality on 5 March. (San Salvador LA PRENSA GRAFICA in Spanish 7 Mar 94 p 5)

The seven Salvadoran presidential candidates for the 20 March elections agreed on the need to promote urgent programs to improve the country's health and education systems. The seven candidates signed an agreement regarding this with UNICEF. UNICEF has suggested that governments should spend at least 30 percent of the national budget on education and 15 percent on health. (Panama City ACAN in Spanish 1951 GMT 7 Mar 94)

Honduras

New Prosecutor General Sworn In

PA1003134694 San Pedro Sula LA PRENSA in Spanish 8 Mar 94 p 10a

[Text] Tegucigalpa—Last night National Congress President Carlos Flores swore in Angel Edmundo Orellana

Mercado as the new prosecutor general of the Republic and head of the recently created Office of the Prosecutor General.

After debating a list of eight candidates presented by an ad hoc high-level commission for several weeks, Orellana Mercado and Florentino Alvarez Alvarado (the new deputy prosecutor general) were elected by the congressional plenary last Thursday.

Orellana Mercado addressed the deputies briefly after he was sworn in and promised to do his work with loyalty to the country, people, and God. He said he would make efforts to strengthen the pillars of democracy and guarantee that all Hondurans are finally able to enjoy a state of law and happiness together with their families. "I will contribute so that, together with you, we can build the country's future," Orellana Mercado told the deputies.

Alvarez Alvarado was not sworn in as deputy prosecutor general last night because, due to personal reasons, he was unable to attend the Congress session. He will, thus, be sworn in the coming days.

Panama

Endara Rejects Resignation of Minister

PA1003191794 Panama City LA PRENSA in Spanish 10 Mar 94 p 1

[Report by Jose Otero]

[Text] President Guillermo Endara said he did not accept the resignation that Roberto Aleman, presidential adviser and minister without portfolio, presented yesterday. Endara added that Aleman's appointment is backed by the Constitution.

Cesar Quintero, constitutional expert and former Supreme Court justice, said the position of a minister without portfolio does not exist in presidential system governments like that of Panama but that it does exist in parliamentary governments. Quintero said the only precedent was in 1944 when the government of President Adolfo de la Guardia appointed Demetrio Porras as minister without portfolio, but for a relatively short time.

This week, the board of directors of the Legislative Assembly said it will file a suit of unconstitutionality at the Supreme Court against President Endara for violating the Constitution and taking over functions he does not have by appointing a minister without portfolio.

According to the president, Minister Aleman placed his position at the president's disposal on 8 March "to avoid problems and eliminate speculations." Endara did not accept the resignation and asked Aleman to remain in the post until the current presidential term ends.

On 7 March the Legislative Assembly harshly questioned Presidency Minister Ivonne Young about this appointment. Since 9 February Aleman's name has appeared in the GACETA OFICIAL as minister without portfolio.

"I think the legislators and the Assembly board of directors have been extremely unfair with Minister Young, because she was not the one who appointed Aleman. I appointed him," Endara said. He said the Constitution empowers him to appoint the ministers he considers necessary for the efficient functioning of his

administration. "The legislators are mistaken. I do not have to consult with that government branch to appoint a minister, because the Constitution gives me the power to make these appointments," Endara said.

Legislative Assembly President Arturo Vallarino believes the minister without portfolio should not sign cabinet decrees and resolutions. "I am of the opinion that the president has the right to appoint all his advisers, but I do not think it is advisable for Aleman to be signing cabinet resolutions," he added.

Argentina

Economy Minister Views Political, Economic Issues

PY1003183594 Buenos Aires LA PRENSA in Spanish
27 Feb 94 p 2

[Interview with Economy Minister Domingo Cavallo by Jose Antonio Diaz; place and date not given]

[Text] [Diaz] What happened this week? Either there are many disagreements among cabinet members or you actually threatened to resign...

[Cavallo] Well, I made a communications error. In one way or another I was the cause of the storm over the past two weeks. I admit my responsibility and will do everything in my power to avoid a repetition. People inside and outside the government—not the media—have used the mistakes I made to harm me. They believe it would benefit the country if I had a setback and had to step down as economy minister. That is nothing new: in all governments there are people who dislike some cabinet members. I have faced many problems within the government but I have always had Carlos Menem's full support. The ministers who have generally and repeatedly disagreed with me or confronted me have had to listen to the president's reiterated support for my work. The current cabinet composition will enable the entire government and I to work together very well.

[Diaz] What about the other ministers? How are your relations with them?

[Cavallo] Let us take the case of the labor minister (Armando Caro Figueroa): I believe there is full consensus between us, like never before, but there was also quite a good understanding with former Education Minister Rodolfo Diaz. Former Labor Minister Enrique Rodriguez and I viewed labor problems very differently. Defense Minister Oscar Camilion and I have a close understanding—much better than with former Minister Erman Gonzalez. I have always been on good terms with Foreign Minister Guido Di Tella. I never had problems with former Education Minister Antonio Salonia, while Jorge Rodriguez is an excellent education minister: I would say his personality leads him to become engaged in matters that are common to the economic area. Interior Minister Carlos Ruckauf and I are managing regional economies quite well. He placed Juan Antonio Zapata [not further identified], who is one of my team. Secretary General of the Presidency Eduardo Bauza always helped to make a harmonic government, he always played the role of moderator. In addition, he is the closest man to the president and can best interpret the president's thinking and mood. In other words, the government is running well...

[Diaz] How come? Now you have no problems with anyone?

[Cavallo] There are obviously snipers; some of them from Congress, others from the government. Then there are people like Barrionuevo [not further identified], who attacked me in a shameful manner. There are also those who always take advantage of each of my mistakes to try to undermine my position. Then there is the Radical Civic Union, especially its leaders, who want me out. They do it because they are electorally strained. Three or four months ago, before signing the pact, Alfonsin spoke about me and the economic team with high regard, while he strongly attacked President Menem. His aggressiveness returned after he signed the Olivos pact when the problems of outlining an opposition stand appeared because he had to give up his political opposition. This time he spoke against the economic plan. He said inflation and recession will return within two years—as if that trend will yield some political benefit for him.

[Diaz] It is incredible that just 40 days before the elections, confrontations within the cabinet have intensified and Cavallo is suddenly be seen to be alone... Are you alone?

[Cavallo] I can tell you that last week I felt alone—and I said so at the cabinet meeting. That was unfair because the president has always given me his full support. Yet I did feel alone, especially when I was the target of the shameful attack by Judge Roberto Marquevich. The only voice I heard in my favor was that of Eduardo Menem, who very rightly noted that when I said there was vagueness in the DGI [General Directorate of Taxation], in no way was I meddling with court decisions or speaking against the judge or the courts. People like Deputy Alberto Piotti praised Marquevich and criticized me, thus giving the impression that I caused a controversy with the courts, despite the fact that I never mentioned the judge or commented on what he had to decide.

[Diaz] But the judge was about to prosecute some officials on charges of perjury...?

[Cavallo] I suddenly realized that versions were being fueled from the court itself. The judge personally leaked that he would prosecute Gustavo Andres Parino, the national customs administrator. That was outrageous: Parino was being attacked by those who previously managed the customs finances. He was implementing a substantial transformation there, with Tacchi and Cossio [not further identified]. Having heard Marquevich's attack and reviewed the generalized media opinion that the judge was right—without anyone standing up to defend me, and with some Justicialist Party members attacking me—I felt alone on that day. That is why I raised the point at the cabinet.

[Diaz] Did you threaten to resign...?

[Cavallo] Never. I never threatened to resign. Neither once nor on many occasions, as some people have said. I would never resign in a situation that could jeopardize the continuity of the economic program and the success of our government work. I would never step down for my

own personal benefit, jeopardizing what we have accomplished through the Menem government. The president knows this very well.

I am also convinced that—contrary to what many have suggested—President Menem's is not trying to overshadow me. I believe it is natural that Menem should claim for himself the leading role in this process, because he is the one who has led it. I think he should feel uncomfortable when people want to make me appear almost on the same footing with him, as far as the merit for what is being done is concerned. I may have my own merits, but the factor that led to Argentina's transformation is the political determination, leadership, and courage of Menem. Some people believe I say this just to please Menem. It is, however, how I feel...

[Diaz] You believe there was a minor conspiracy against you...

[Cavallo] No... Some people tried to use my communications mistakes or those verbal confrontations to attain sectorial objectives or to defend personal interests or the interest of groups with respect to the economic policy. To me this is very clear.

[Diaz] What interests?

[Cavallo] Economic and political interests. Economic interests, like all that occurred in connection with the automobile regulations. Such regulations, which are eight years old, stem from a total ban on importing automobiles. The ban is temporary, it is similar to the ones that are being enforced in Mexico, it was accepted by NAFTA countries, and it was suggested at the Uruguay round of GATT talks. Even though the automobile sector is today much more liberal than it was four or five years ago—despite the fact that when this campaign began the newspapers reported a drop in car prices—despite all that, they intend to compel us to enforce total liberalization. They took advantage of that opportunity to insist on their objectives. I believe they are being driven by economic interest. Others are doing it for, say, political motivation: it is undoubtedly tantalizing and attractive for the middle class to buy cars at half the current price, in a much larger number of installments, and with the choice of any model. Yet any responsible person will understand that transition from a totally closed economy—like that of Argentina's automotive sector—to a totally open economy in a technically complex sector with strong world competition, is not that easy.

[Diaz] Are there any other economic sectors or interested groups that seek to sabotage your plan?

[Cavallo] There was a lesser-known sector that tried it. They began to attack the customs office. There is a set of businesses linked with mail, transportation, and cargo services, which seeks to remain as a monopoly. They want me out to avoid disclosure of what comes through the airport... Nothing will be left of this monopoly, even though it began during the military government, it

flourished during the Radical administration, and it managed to survive at the beginning of the Menem administration.

[Diaz] Some people think your work may now begin to fade, because there will be no more income from privatizations, while public spending will grow. Is the economy doing well?

[Cavallo] I want people to be totally reassured. Argentina is doing very well. In the past two months we had very important news, to which no attention has been given. There is no reason to be afraid. There is no problem whatsoever between President Menem and Minister Cavallo. Quite the contrary. I don't feel discouraged as economy minister and I am not giving up.

Foreign Minister Discusses Results of UK Visit

PY1003223094 Buenos Aires CLARIN in Spanish
9 Mar 94 p 2

[Text] London—Foreign Minister Guido Di Tella's "innocent" three-day trip to England to visit his son Rafael has yielded other results. He discovered that John Major's administration considers the issue of negotiations with the Menem administration on the issue of oil around the Malvinas Island "convenient but not indispensable" and that the United Kingdom is "ready" to lift the arms embargo imposed on Argentina since the Malvinas war.

CLARIN talked with Di Tella, who was staying at the Argentine Embassy residence in Paris and will arrive back in Buenos Aires this morning.

[CLARIN] What are the results of your meeting with Foreign and Commonwealth Affairs Secretary Douglas Hurd?

[Di Tella] I had a long meeting with him and ended up clarifying two important issues: negotiations on oil exploration, which will have a busy agenda, and the issue of relations with Chile. It was established that we will cooperate. They consider British-Argentine negotiations "convenient but not indispensable," and we consider them "indispensable." The two countries have agreed that it is "convenient."

[CLARIN] Has Hurd offered you seismic prospecting results or told you how much oil there is in the islands?

[Di Tella] They have not been very explicit and they have not given me any seismic prospecting work. They assured us that they are still not sure how much oil there is in the area.

[CLARIN] Did he reproach you for Argentina's "theft" of the seismic prospecting carried out on orders of the island's government through an Argentine ghost company?

[Di Tella] They did not complain. On the other hand, it was not a ghost company but a YPF [Government Oil Deposits] subsidiary. I cannot recall the name of the company now.

[CLARIN] Did you establish an agenda to discuss the oil situation?

[Di Tella] There is "a verbal agreement." But never before was the "convenience" of negotiating the issue of oil exploration mentioned so explicitly. A technical team will meet in April to discuss these questions.

[CLARIN] Great Britain's problem is that insurance companies refuse to insure "off shore" [preceding two words in English] explorations in conflict zones such as the area around the Malvinas Islands. In the back of their minds they have the ghost of what happened with Kuwait's oil wells, which were set on fire by the Iraqis. How will Argentina take advantage of this situation in negotiations for the Malvinas Islands?

[Di Tella] Argentina can create serious juridical problems for Great Britain in the South Atlantic. We are going to do just that. The British Government is at a point where it must discuss the issue of oil exploration with us. Our "warning notes" on the matter have worried companies in the area.

[CLARIN] Are you using that as a future threat?

[Di Tella] It is not a threat. That is life...If you push a door bell you will hear a noise...I will take every legal step possible to achieve our objective.

[CLARIN] Did you discuss the Argentine Government's apprehensions about British interference in Argentine-Chilean relations?

[Di Tella] That was one of the main reasons for my trip and my interest in seeing Hurd. It was one of the topics on our agenda. I talked to him about the excellent status of Argentine-Chilean relations and the need we have for Great Britain to help consolidate it.

[CLARIN] What did Hurd say about Margaret Thatcher's visit to Chile in the next few days?

[Di Tella] Hurd told me that Mrs. Thatcher is going to Chile because "she feels like it." Maggie has "never" (in English), and least of all now, accepted pressure from anyone. She is promoting her "Memories" and has made more than 3 million pounds from it. For her the monetary issue is very important. She cannot be pressured, least of all by John Major's government.

[CLARIN] Why will Hurd travel to Malvinas if British-Argentine relations are so good?

[Di Tella] Hurd simply told me: "I have been in the post for five years and never visited the islands. Besides you are very active diplomatically and you visit us every

three months." I am highly encouraged to see that my "charming [preceding word in English] operation" is yielding these results.

[CLARIN] According to British sources, the Major government is ready to sell arms to Argentina.

[Di Tella] They can offer them. We do not have any problems. We want an end to the arms embargo. In this visit to London I had the impression that the arms embargo issue will soon be a thing of the past.

Intelligence Chief Meets With UK Counterparts

PY1003191194 Buenos Aires CLARIN in Spanish
8 Mar 94 p 16

[Article by Maria Laura Avignolo]

[Text] London—For the first time since the Malvinas War, the chief of the government intelligence services, Hugo Anzorreguy, was received by his British counterparts during an official 36-hour visit to London. This courtesy will be returned in Buenos Aires today, when David Spedding—the number two man in the British MI6 service, and the future number one by the end of 1994—will arrive here for a three-day stay.

As a result of this meeting it was decided that SIDE [Secretariat for State Intelligence] agents will be trained in "intelligence analysis" by British spies "in the next few months."

During a rainy morning yesterday, and watched over by discreet bodyguards, Anzorreguy held a long conversation in impeccable English with Colin McColl, chief of the domestic espionage service MI5 [title as received].

More feminine, Stella Rimmington—the first woman directing the foreign secret service MI6 [title as received]—invited him on the same day to lunch at San Lorenzo restaurant, Lady Di's favorite restaurant in Knightsbridge, near Harrods. Rimmington extended the invitation to Anzorreguy's wife, Margarita Moline O'Connor, who accompanied her husband on this "tour of espionage and good manners" through Spain, France, and London.

Anzorreguy's visit had previously been canceled due to the illness of President Carlos Menem.

With British coolness, Colin McColl told Anzorreguy—five minutes after beginning the conversation—that the British intelligence services are very discreet: They do not grant interviews, or allow photographs, or let any information be leaked. In subliminal language he meant to say that the conversation should be kept strictly "off the record."

Anzorreguy was appalled with the MI5 chief's knowledge of the Argentine "dirty war"; he knew so much that it was as if he had absorbed the minds of an Argentine military officer and a guerrilla member.

The subject of terrorism monopolized the conversation, together with the problem of immigration as a possible source of conflict.

For McColl, the problems are the Pakistanis, Indians, and residents of the former British colonies in the Caribbean. Anzorreguy told him that their equivalent, for Argentina, are the Paraguayans, Bolivians, Chileans, and Peruvians who want to come to Argentina "dazed by the economic miracle."

When a year ago Anzorreguy visited the chief of the Russian secret services in Moscow, the Russian chief's first question was very direct. "Tell me what Galtieri was like," the Soviet spy asked with curiosity, in referring to the Argentine general who commanded the Malvinas War. Anzorreguy swallowed his feelings, remembered the description of "majestic general" used by an aide to (former U.S. President) Reagan to describe the mastermind of the invasion of the islands, and answered: "He was a presumptuous general."

Stella Rimmington did not ask a single question about the Malvinas War, and much less about Galtieri's personality or about the investigations into the soldiers executed in the Malvinas Islands. In her new and austere office with a view of the River Thames, the MI6 chief aimed the conversation toward the danger of nuclear proliferation without control and terrorism.

Rimmington walks daily from her house to her office without any guards; she has been photographed only once; she has no domestic servant; and she is an expert Sovietologist.

During their conversation Anzorreguy stressed the "excellent diplomatic relations" between Argentina and Chile.

When CLARIN asked Anzorreguy about the misunderstandings between Chile and Argentina that Argentine Foreign Ministry sources attributed to the British Government, "Mr. Five" [senor cinco] minimized these: "These are pranks that we could play, too," he said.

Radical Party Protests Training of Agents

PY1003233294 Buenos Aires BUENOS AIRES
HERALD in English 10 Mar 94 p 11

[Excerpt] (DYN-NA)—Radical Party deputies lodged a complaint in the Lower House yesterday to protest against the news that British secret services will be training Argentine agents in intelligence analysis.

The complaint was made known after city daily CLARIN published an article on Tuesday [8 March] saying that the agreement had been reached by SIDE [Secretariat for State Intelligence] state intelligence agency Secretary Hugo Anzorregui on a visit to Britain on Monday [7 March].

A document signed by Deputy Antonio Berhongaray said that the deputies in question were both "surprised

and disapproving" of the development especially given the recent history of conflict between Argentina and Britain.

They wrote that even if the service was essential it would have to pose no danger to "strategic policy and basic common-sense."

They added: "It seems obvious to the unaware mind that the training of personnel by foreign intelligence services enables the country carrying out the task to gain valuable insight into professional training and the makeup of the other country." [passage omitted]

New Zealand's External Relations Secretary Visits

PY1103010794 Buenos Aires BUENOS AIRES
HERALD in English 10 Mar 94 p 3

[Article by Nicholas Tozer]

[Excerpt] Richard Nottage, Secretary of the New Zealand Ministry of External Relations and Trade, arrived in town yesterday as part of a three country tour which includes Chile and Mexico.

In an interview with the HERALD Nottage said he was here looking into a wide range of foreign policy issues and economic and trade matters, stressing the common interests which exist between Argentina and New Zealand—southern hemisphere countries who are non-permanent members of the UN Security Council, major agricultural producers who compete on several fronts but share common problems such as protectionism. In outlining the current state of affairs between both countries Nottage underscored the high degree of cooperation being achieved on matters of common interest, singling out the Cairns Group and the GATT Uruguay Round negotiations as two examples.

One of the questions being looked into with great detail is what happens to both countries after the Uruguay Round. Nottage said both he and his team—which includes Crawford Falconer, Director of the ministry's American Division; Ms. Lackey, Director of Trade Negotiations and Ambassador Frank Wilson, who is New Zealand's representative before the governments of Chile and Argentina—were also looking into opportunities for further economic cooperation between both countries as well as between trade blocs, Mercosur [Common Market of the South], ASEAN, APEC, etc.

Reviewing global issues Nottage pinpointed trade and the environment as being of particular interest. Within the latter a whole range of topics such as forests, fishing and the climate were currently being studied. As far as the economy was concerned Nottage mentioned the importance of the New Zealand experience of domestic economic reform started in 1984, under which a highly regulated market had been opened to competition through privatization of state enterprises. [passage omitted]

Menem Opposes Legalization of Abortion

PY1003223894 Buenos Aires BUENOS AIRES
HERALD in English 10 Mar 94 pp 1, 11

[Excerpt] (DYN-NA)—President Carlos Menem spoke out yesterday against the legalization of abortion during a speech in the Colon Theatre and announced plans for a campaign to combat the levels of infant mortality in the country.

Echoing the view of the Roman Catholic Church towards abortion, Menem said: "Life begins at the moment of conception and anything done to destroy that life is bordering on crime."

The line brought rapturous applause from an audience including politicians and nongovernmental pressure groups.

Under current law abortion is forbidden except for cases such as rape or where the life of a mother is considered to be in extreme danger due to the birth. Some bishops have been pressurizing the government to include a law against abortion in the new national Constitution when it is reformed in August.

Also in his speech the head of state said he hoped to reduce the rate of infant mortality to below 20 for every 1,000 children born. The current figures of mortality are 21.54 per thousand.

Menem added that the strategy would be part of a new Federal Plan for Mothers and Children, which would seek to improve health care and nutrition.

To assure that the law embraces the whole country—Menem cited figures of three million children and 650,000 mothers who would be targeted—he said he would introduce a Federal Pact to be signed by all provinces.

The plan will be monitored by groups such as UNICEF, Caritas and the Argentine branch of the Red Cross. [passage omitted]

Catholic Church Comments on Constitutional Reform

PY1003232594 Buenos Aires BUENOS AIRES
HERALD in English 10 Mar 94 p 11

[Excerpt] (DYN-NA)—The Catholic Church yesterday came out in favour of having future presidents swear by "God and country" when taking the oath of office without regard to his or her religion thus accepting heads of state of other religions while rejecting the possibility of having an atheist leader.

The Church also warned that the current presidential system "sometimes leads" to an uncontrollable growth of the powers of the head of state in a nine-page document issued by the Synod of Bishops on the government's plan to reform the nation's Constitution.

The religious leaders said that "other branches of government should be strengthened to obtain a balance and a real division of powers in the state."

"It is not our intention to propose a reform draft; our objective was to point out issues that cannot be absent in the new Constitution," they explained.

The Church confirmed that it had doubts about the way in which President Carlos Menem and Radical Party Chairman Raul Alfonsin had agreed on a reform plan through the Olivos Pact.

The bishops group also accepted the dropping of the Constitution's current requirement that the president be a Roman Catholic.

However, it underlined that "the cultural identity of the Argentine nation has unquestionable Roman Catholic roots."

The document specifies that the definition of God included in the Constitution as the "source of all reason and justice" should be maintained in the new charter.

In addition, the Church said that the new law of the land should include an article similar to the one included in the Cordoba Constitution stating that "the dignity and moral and physical integrity of human life from its conception cannot be violated." [passage omitted]

Bolivia

Lawmaker Views Probe of Politicians' Drug Links

PY1103000294 La Paz Television Nacional Network in Spanish 1700 GMT 10 Mar 94

[Excerpts] The case involving the Movement of the Revolutionary Left [MIR] and its alleged links to drug trafficking has been submitted once again to FELCN [Special Antinarcotics Force]. A decision will be made in the next few hours.

The decision by the Chamber of Deputies' Constitutional Committee to put the investigation of MIR and its alleged links to drug trafficking in the hands of the Special Antinarcotics Force once again has caused surprise. The decision was surprising because the Chamber of Deputies had decided that the committee would investigate the cases. However, things changed after a suspicious—so to speak—visit by U.S. Embassy officials to committee Chairman Edil Sandoval.

[Begin recording] [Sandoval] Well, what has actually occurred is that the Chamber of Deputies has ordered an investigation focusing exclusively on possible links between MIR leaders and drug trafficking. In other words, it is an area in which the chamber has ordered an investigation but, I reiterate, it will focus on MIR leaders allegedly linked to drug trafficking.

That is to say, there will be no interference in the investigations being performed by FELCN into the

problem as a whole, that is, the fight against drug trafficking. The committee is not interfering with those activities. We will concentrate our investigation on MIR leaders who might be linked to drug trafficking.

[Unidentified reporter] However, yesterday ... [changes pattern] today newspapers published a statement by you saying that the matter could be returned to FELCN.

[Sandoval] A minor disagreement has arisen, and we will continue to debate it in the committee. It refers to the fact that a brief, fast analysis of case folders has revealed—especially to me—that the FELCN investigation is not over yet. Even the report FELCN has submitted to the judicial branch is an investigation that has not been finished yet. I have concluded therefore that this investigation, which—I reiterate—is not over yet, should continue and that we—despite the mandate we received from the Chamber of Deputies—should not interfere in that investigation. That is why I suggested to the Constitution Committee that all the investigations the FELCN is currently conducting be submitted to the committee upon their completion and not to the regular courts. The proposal's objective is to prevent the overlapping of work and to concentrate all matters involving political leaders under the committee's jurisdiction.

[Reporter] Did the courtesy visit by U.S. Embassy officials have anything to do with this?

[Sandoval] No, not at all, because I made the decision before the visit by the Embassy officials. [end recording] [passage omitted]

Interior Minister Reports on Chapare Violence

PY1103002994 La Paz Television Nacional Network in Spanish 1700 GMT 7 Mar 94

[Text] One person dead and 18 wounded is the result of coca producers' resistance to the government's determination to eradicate coca plantations. Amalia Pando prepared the following report:

[Begin recording] [Pando] Coca producers staged a massive ambush of 80 Umopar [Mobile Police Unit for Rural Areas] and Direco [Coca Reduction Directorate] agents and (chaqueadores) in Entre Rios between 0300 and 0600 on 5 March. As a result, one person was killed, 18 wounded, five individuals were taken hostage, and two jeeps and three pickup trucks were dynamited and set on fire.

This is how Interior Minister German Quiroga reported what happened in Chapare:

[Quiroga] We discovered two maceration pits in this area [pointing at map]. Our instructions in these cases are to destroy 1,300 square meters of coca plantations, that is, 10 percent of an hectare, more or less. Nearly 1,000 peasants stood by while we destroyed that coca. They accepted the destruction of the crops around the two pits, which they could clearly see.

When Direco and Umopar forces started back to their vehicles parked on the road, they encountered a first group of peasants—about 1,000 of them—who were told that the people who were leaving were those who destroyed the maceration pits and the coca crops around them. The peasants opened the way and let them pass.

But after walking another 250 meters, they encountered a second group of peasants—also about 1,000 strong—who blocked their way out. When the officials tried to withdraw they realized that the first group was behind them. Therefore, what happened here was an ambush. Between 2,000 and 2,500 peasants ambushed Umopar agents, Direco forces, and the coca cutters [macheteros] who came with them. They were all ambushed by the 2,000 peasants.

Among them, nearly 500 were (chacas) and (boleros). (Chacas) are people who trade coca leaf while (boleros) collect cocaine paste. Nearly 25 percent of these 2,000 individuals were not peasants; they were not from the area. This was noticeable because of the way they dressed. They wore shorts, dark glasses, stripped garments, etc.

The peasant leader then gave the order to attack.

[Unidentified reporter] How large was the government force that was attacked?

[Quiroga] Approximately 80 individuals, including soldiers and those waiting in the vehicles.

As a result of the confrontation that followed the attack ordered by the peasant leaders, eight Umopar agents were wounded, including an officer who is in serious condition and is being treated at (Huayanini) Hospital in Santa Cruz. Ten Direco officers also were wounded. One of the prosecutors who followed the operation—all operations are controlled by prosecutors under the Special Antinarcotics Force's charter—also was wounded. He was speared in the abdomen and taken by helicopter to Cochabamba. In all, 18 people were injured during the confrontation and one individual died. He was a Direco employee. The peasants took three hostages. They are still being kept hostage at this minute. Two other Direco officials disappeared and their whereabouts are unknown.

[Pando] Minister Quiroga said no one was injured among the peasants because Umopar forces did not use their weapons. The exception was a peasant who lost a hand trying to place a dynamite stick under a truck. Quiroga said the five vehicles waiting to pick up the coca cutters were dynamited, and that on the afternoon of 5 March another crowd set Direco offices in Ivirgazama on fire. Quiroga added that Umopar was able to disconnect a bomb made up of three small barrels filled with explosives.

Regarding the identification of the machete holder who died in the ambush, Quiroga said his name is not known because the body remains in the hands of the peasants,

adding that one of the hostages who managed to escape saw him. Quiroga said no one has been arrested so far, adding, however, that those responsible for the 5 March ambush and attacks will be arrested and placed at the disposal of the courts.

Quiroga insisted that the government is ready to talk with Chapare leaders and is waiting for the confirmation of a meeting arranged with them in principle for 9 March. [end recording]

Coca Growers Uncertain About Eradication Accord

PY1003233794 La Paz Television Nacional Network in Spanish 1700 GMT 10 Mar 94

[Excerpts] The Bolivian Labor Federation [COB], coca growers, and government representatives continue to meet in an effort to reach agreement over the eradication of coca plantations in Chapare.

Following last night's meeting with government officials, the Chapare coca growers were today satisfied with the progress.

[Begin coca growers' leader Evo Morales recording] At the start of the meeting, the government apologized to coca growers for having accused them of producing drugs. [end recording]

He added that the government is also willing to end the forceful eradication of plantations:

[Begin recording] This will definitively ease social tension in tropical Chapare and prevent confrontations. This is basically what we have accomplished. It is not enough. Discussions should go deeper into the technicalities and the institutional framework of alternative development to see how the government can guarantee funds for true alternative development. [end recording]

Deputy Ramiro Barrenechea, adviser to coca growers, said the end of forceful eradication in return for peasants joining the voluntary eradication plan—which involves financial benefits per eradicated hectare—is a trap by the government. In an effort to prevent coca growers from signing an agreement to this end, Barrenechea went today to the Labor Ministry where a final meeting is being held to consider the subject. [passage omitted]

Coca growers have backed down on their decision to sign an agreement on the topics agreed upon last night. They will not agree to any type of eradication. They admitted, however, that there are new illegal coca farms in Chapare. They said they will defend them, because—as they put it—the government is to blame.

[Begin Morales recording] In the face of the unfulfilled promises and the lack of alternative development, we have no alternative but to plant coca. The peasants are not to blame for planting coca. It is the free market policy, the free importation policy which is encouraging coca growing, not just in Bolivia but in the entire Andean region. [end recording]

Roundup of Economic Reports

PY1003235494

[Editorial Report] The following is a compilation of reports on economic activities in Bolivia monitored through 10 March.

National Treasury Under Secretary Edgar Saravia reported that the Treasury expects to collect 3.6 billion bolivianos for the 1994 national budget. The projected revenues are higher than those collected last year. (La Paz LA RAZON in Spanish 19 Feb 94 p B2)

Bolivian Central Bank, BCB, President Fernando Candia stated that this year the BCB will be able to grant \$100 million to \$120 million in credits to the private sector because of the level of its international reserves, which totals \$330 million. (La Paz LA RAZON in Spanish 24 Feb 94 p A16)

Oil production in the tropical zone of Chapare, Cochabamba Department, rose to 7,000 barrels per day. It accounts for 24.3 percent of the total production, after Santa Cruz Department. (La Paz PRESENCIA in Spanish 27 Feb 94 p 7)

The economic growth in the year's first two months was slow compared with the goals projected for this period. The consumer price index increased 0.83 percent in January, which is "low" compared with those registered in the same month of the last three years. (Cochabamba LOS TIEMPOS in Spanish 27 Feb 94 p A11)

Brazil

Constituent Congress Reduces Presidential Term

PY1003160694 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 Mar 94

[Text] The only amendment to the Constitution passed by the Constituent Congress during yesterday evening's nine-hour session was the one providing for the shortening of the tenure of the Brazilian presidency to four years.

After a three-hour discussion during which passions ran high, the Constituent Congress upheld the text that bans the head of state from running for the presidency a second time. The reelection of governors and mayors was also rejected.

The motion seeking to reduce—to 90 days before the elections—the deadline for the president, governors, and mayors to resign from office in order to run for another government post was also voted down. The original constitutional text, which provides for a six-month deadline before the elections for government officials to resign their posts to run for office, was thus passed without amendment.

Before adjourning, the Constituent Congress decided that the other item included in the order of the day,

namely the amendment extending maternity leave for congresswomen, will be voted on at the end of the week.

At 1000 local time today the Constituent Congress will vote on political matters. The order of the day includes, among other subjects, political affiliation, the voluntary vote, the mixed district voting system, and parliamentary immunity.

Franco Orders Sale of Government-Owned Stock

PY1003222494 Rio de Janeiro O GLOBO in Portuguese 8 Mar 94 p 26

[Text] Brasilia—Six months after issuing a decree—unsuccessful so far—ordering the sale of government-held minority stock in various companies, President Itamar Franco has had the official gazette publish yet another decree aimed at getting rid of these shares in order to obtain funds to balance public accounts. In the 1994 budget, the sale of these shares is expected to bring in \$900 million.

According to the latest decree's foundations, autonomous corporations and state companies must turn over the minority stock they hold to the National Privatization Fund, which is managed by BNDES [National Bank for Economic and Social Development], which will handle the sale. BNDES Director Elena Landau stated in Rio de Janeiro that her bank is waiting for the state companies to provide an inventory of minority stock that they have in other companies.

The new decree was prompted by the failure of the first attempt to force the state companies to sell the minority shares they own. Put together, these shares are estimated to be worth \$900 million. Government experts believe the actual income from the sale of these shares will surpass the initial estimate because some of the state companies have been privatized since the estimate was made and the value of their shares has gone up. Thus, state companies that own shares of companies that have been privatized will obtain more funds and this, in turn, will improve the value of their own shares.

There are cases of government companies that are minority stockholders in other companies because of fiscal incentives, such is the case of Petrobras [Brazilian Petroleum Corporation] and Conab [National Supply Company], which own shares of hotels; informatics corporations like Dataprev [Social Security Data Processing Enterprise], which owns shares of a petrochemical company; and Telebras [Brazilian Telecommunications Corporation], which owns shares of the Uberaba Water Supply Company.

Malan Discusses New Currency Implementation

PY1103013294 Brasilia Vox do Brasil Network in Portuguese 2200 GMT 10 Mar 94

[Text] The government will give at least six days notice before the launch of the new Brazilian currency, the real.

This was announced today in Belo Horizonte by Central Bank President Pedro Malan.

Malan said the decision on when to launch the real will depend on how widely the URV [Real Value Unit] is being used. Malan clearly stated that the change of currency will not take place before April.

[Begin Malan recording] We promise to give a few days notice before the launch of the real in order to give people time to settle matters regarding commercial papers with preestablished rates, post-dated checks, etc. [end recording]

Regarding an agreement with the IMF, Malan said it may be signed next week. He added that to safeguard the agreement, confirmation on the issuance of bonds to convert the Brazilian foreign debt has been postponed.

[Begin Malan recording] Brazil and the committee of banks have issued a communique addressed to the international financial community, which states that we still plan on 15 April. This date will be confirmed late next week, around 18 March. [end recording]

Pedro Malan confirmed that Minister Fernando Henrique Cardoso's economic plan, technically speaking, was approved by the IMF mission that visit Brazil recently.

Civilian Household Chief Interviewed

PY1003200894 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Mar 94 p 7

[Interview with Henrique Hargreaves, chief of the Brazilian civilian household, by William Franca; place and date not given]

[Text] [Franca] Last week the government reviewed nine provisional measures on varied subjects that Congress did not discuss. Is there ill-will in Congress against the government?

[Hargreaves] The decision by Congress not to vote on a provisional measure is sometimes a strategy, sometimes a lack of consensus. But there is no ill-will. A political agreement usually takes its time but Congress has one virtue: It respects every agreement reached.

[Franca] In the recent case of the approval of the FSE (Social Emergency Fund), the government had to make an extra effort: The finance minister had to appear on television and almost every minister appeared before Congress. Is it necessary to exert "extra pressure" to get Congress to function?

[Hargreaves] No. We work to expedite the agreement, to explain every point as best we can.

[Franca] Was the most recent cabinet reform, which took place last week, designed to broaden support in Congress?

[Hargreaves] Instead of reform I would rather call it "cabinet change" because the structure was not modified. The appointment of new ministers did not seek to broaden support in Congress.

[Franca] What prompted President Itamar Franco to invite General Bayma Dennis to occupy the Transportation Ministry? Why not a politician or an technician in the transportation field?

[Hargreaves] The Transportation Ministry, although many may consider it to be so, is not such a technical post. It is more of an administrative post. There will be elections this year and most politicians are running as candidates. Therefore, one cannot choose someone for the Transportation Ministry who will then resign to run for election in a month. As for a technician in this field, no matter how much experience he may have, we would not know how capable he would be of administering this ministry at this time of budget difficulties with the "difficult" relationship with Congress. We do not deny that the Transportation Ministry is experiencing administrative difficulties. In view of all this, President Itamar Franco decide to choose General Dennis, a military man who enjoys a good relationship with politicians and, on top of that, is a good administrator.

[Franca] In view of the "problems" in the Transportation Ministry, was the appointment of Minister Margarida Coimbra, who was a technician, a mistake?

[Hargreaves] I would not agree. But I did not belong to the government when she was appointed.

[Franca] Does the presence of a considerable number of military men—on active service or retired—in the upper and middle echelons of government hint at a possible trend toward the militarization of Itamar Franco's administration?

[Hargreaves] Why should all government officials be civilians? Are they not considered equals? That is odd. There is no division. The participation of women and men in the government does not have to conform to a system proportional representation, so why should civilians and military. The question: why military? is always raised. Nobody ever asks: why civilian?

[Franca] The Franco administration is civilian and not military. Why then should it insist on that option?

[Hargreaves] I can explain that by giving you an example. The Federal Police (whose current director is Colonel Wilson Romao, retired) have always been headed by a member of the Armed Forces—with the exception of Romeu Tuma and Amaury Galadino. They (the military) have always discharged their duties well. Romao's appointment was made at a time of crisis that called for a speedy reestablishment of discipline, and the military are used to doing just that.

[Franca] And how about the Sudene (Northeast Development Superintendency) and the special commission

which is investigating irregularities in the executive branch, which are both headed by members of the Armed Forces?

[Hargreaves] Let us not close our eyes to the obvious: One must acknowledge that the military are more disciplined and know how to impose discipline.

[Franca] Is it easier for Planalto Palace to boss the military around, given the fact that they are more disciplined?

[Hargreaves] I would not venture to say that it is possible to put ideas into the heads of the military, I contended that they are more disciplined and can discipline others better than civilians.

[Franca] Following your line of thought, if prices were to skyrocket we could find a military man heading the Sunab (National Supply Superintendency) or some other economic department.

[Hargreaves] I have no prejudices.

[Franca] On the question of government support in Congress, you said the "cabinet reshuffle" did not seek to broaden its support. Does this mean it already has the necessary support?

[Hargreaves] I would not say the latest votes reflect the support the government has in Congress. I believe they are related to the government's stance on the subject. This is not the solid support that backs the government. I do not have facts and figures to support this, but we have the backing of congressmen from all parties rather than one party in coalition with the government.

[Franca] Given that the government has to work with an unspecified number of congressmen who have the most varied political tendencies, how will negotiations at the Constituent Congress be conducted?

[Hargreaves] A Constituent Congress cannot be compared with the ordinary work of Congress. The latter functions in terms of parliamentary support—government and opposition—whereas a process involving an amendment to the Constitution has more to do with ideological, programmatic, and even dialectical questions.

[Franca] Does the government believe the outcome of the Constituent Congress will measure up to its expectations?

[Hargreaves] Yes, it does, it does, (he repeats) it does. The government also believes the outlook can be either good or bad depending on how the vote on political issues goes. If political issues do not fare well, the Constituent Congress may lose all meaning.

[Franca] What do you mean by "fare well"?

[Hargreaves] That solutions be balanced; vested interests must be left aside or the process will produce negative results.

[Franca] What do think about the idea to extend the deadline for ministers and governors to resign from office in order to run for another elective post?

[Hargreaves] I would rather not speak about specific projects.

[Franca] Three weeks ago, President Itamar Franco stated in Juiz de Fora that "if [Finance Minister] Fernando Henrique [Cardoso] were to run for the presidency he would have the support of the government." Is Planalto Palace endeavoring to turn this hypothesis into reality?

[Hargreaves] I cannot answer your question. Planalto Palace's overriding concern at present is the success of the economic plan. If we mix the two, we will give the impression that the economic program is linked to candidacies. They are totally separate.

Newspaper Linked to Collor Family Appears

PY1103005594 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Mar 94 Section 1 p 4

[Text] Maceio—The newspaper CORREIO DE ALAGOAS begins to circulate here today. It will be published by the staff of journalists and with the equipment of the Arnon de Mello organization—which includes companies owned by former President Fernando Collor but managed by his brother, Pedro Collor. Officially, the newspaper does not belong to either Fernando or Pedro. According to journalist Pedro de Oliveira, the newspaper's owner, a lease contract has been signed.

Roundup of Economic Reports

PY1003233594

[Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 10 March.

The Management and Economics Science Institute of St. Ursula University reported that Brazil's volume of exports increased 16.2 percent, whereas the value dropped 8.15 percent from 1991 to 1993 compared with the 1988-1990 period. (Sao Paulo GAZETA MERCANTIL in Portuguese 3 Mar 94 p 3)

The government increased the electricity rate 43.24 percent as of 8 March, the same day the real value unit was implemented. It did not explain, however, the reason for the increase despite having guaranteed that public utilities prices would not be readjusted higher than the inflation rate. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Mar 94 Economic and Business Section p 1)

The inflation rate measured by the Economic Research Institute Foundation, FIPE, was 46.25 percent in the past 30 days that ended 4 March. This is the highest rate registered by the FIPE. The Brazilian Institute of Geography and Statistics reported that the consumer price

index rose 40.27 percent between 29 January and 1 March. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Mar 94 p B3)

Car manufacturers' production in February totaled 114,700 units. This is 34 percent more than in February 1993 and the largest number ever produced in a single month in the country. (Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 7 Mar 94)

Iron ore exports were 111.9 million metric tons in 1993, an increase of 5.5 percent compared with 1992's 106 million metric tons. Brazil was the third-largest iron ore producer after China and Russia. (Sao Paulo GAZETA MERCANTIL in Portuguese 7 March 94 p 16)

Link Between Illegal Lottery, Drug Trafficking Reported

PY1103013094

[Editorial Report] Rio de Janeiro O GLOBO in Portuguese publishes in its 6 March edition, on page 16, four articles by Octavio Guedes and Renato Garcia about alleged links between the Comando Vermelho drug trafficking gang and the illegal animal lottery bankers.

The first 400-word article states that police have realized that the Comando Vermelho chiefs imprisoned in Bangu I penitentiary do not have the wealth that all their criminal actions should have given them. Police and judges believe the real chiefs of these organizations are not in the slums, where there is no infrastructure to launder dollars, import drugs, or purchase imported weapons. According to the testimony of some gang members, all the money collected in the drug markets, nearly \$2.5 million per month, was administered by an illegal animal lottery banker known as Carlos Alberto Goncalves dos Santos, aka Carlinhos Barbudo, who is currently at large.

A 200-word article states that the first time the full extent of the criminal gang was discovered was in the gang case in Borel Hill, where close links between community leaders and drug traffickers were demonstrated, as well as the existence of a "court" to judge those who oppose the laws of the drug traffickers, who organize parties to attract drug buyers and youths for prostitution. Police found out that about 140 people were involved in this illegal scheme in some way.

Another 200-word article reports on the activities of Carlinhos Barbudo, who was named as the "owner" of the illegal animal lottery's gambling sites. According to a gang leader's wife, he was the treasurer for the drug markets, and other gang members testified that he personally paid drug suppliers.

The last 200-word article quotes Rio de Janeiro Civil Police Chief Nilo Batista as saying: "Nobody can tell who is the Comando Vermelho gang's chief." He says he believes that a good portion of the drug trafficking money moved in Rio de Janeiro is spent on the drug

markets' structure and the purchase of weapons and drugs. The remaining money is used to pay bribes to police and informers. Nilo Batista maintains that the organizational level of the Comando Vermelho gang is very low. The best-organized gang, he says, is that headed by drug trafficker Orlando da Conceicao, which exploits drug markets in eight slums in northern Rio de Janeiro. Police say there is no evidence to link the illegal animal lottery bankers with drug trafficking, and the Brazilian drug traffickers arrested so far are not rich like the Bolivian coca "barons."

UK Interested in Communications, Energy Privatization

PY1003170694 Sao Paulo GAZETA MERCANTIL in Portuguese 7 Mar 94 p 5

[Article by Livia Ferrari]

[Text] Rio de Janeiro—The UK's chief secretary of the Treasury, Michael Portillo, yesterday said that through the elimination of the "Brazil risk" clause there is a possibility that Great Britain could guarantee the insurance on export credits for British products, thus expanding bilateral ties. Specifically referring to the commercial opening implemented in the country, Portillo said: "We always carefully study the economic conditions prevailing in each country, and I believe that as a result of the Brazilian economic reform the conditions are there for offering guarantees for export credits."

Portillo arrived in Brazil at the end of the week at the head of a business delegation. Yesterday, during a luncheon sponsored by the British Chamber of Commerce in Rio de Janeiro, where he met with Brazilian businessmen, he expressed interest in the Brazilian privatization program. So much so that during the morning, after visiting Petrobras [Brazilian Petroleum Corporation] and Shell, he visited the National Bank for Economic and Social Development (BNDES) where he met with National Privatization Program Director Elena Landau.

"There is interest in all privatization areas," he added, and specifically in the telecommunications and energy fields. He believes that because of their experience in the privatization process in Great Britain, British banks may take part in the Brazilian privatization program through the sale of certificates in those companies that are being privatized on the international market. Well versed on the issue, Portillo stated that the Brazilian privatization program has already yielded a total of \$6 billion, while in Great Britain the program totaled \$75 billion.

British interest in the Brazilian privatization process is also attested to by the members of the official delegation—British Gas, Northwest Water International, Powergen (all companies that were privatized) and the Barings Kleinwort Benson, Rothschilds, and Schroders and Warburgs banks, all of which have played an active role in the privatization process.

Today the British delegation will be in Sao Paulo, where it will hold meetings with Sao Paulo State Governor Luiz Antonio Fleury Filho and Sao Paulo Mayor Paulo Maluf. On 9 March they are scheduled to visit Brasilia, where they will hold meetings with Finance Minister Fernando Henrique Cardoso and with representatives from the Mines and Energy and Aeronautics Ministries. The British companies are interested in participating in the Amazon Region Surveillance System (Sivam); their bid for the supply of telecommunications equipment totaling \$600 million has already been opened by the Aeronautics Ministry.

Air Transportation Agreement Signed With Macau

PY1103011294 Sao Paulo GAZETA MERCANTIL in Portuguese 4 Mar 94 p 14

[Article by Jorge Freitas in Rio de Janeiro]

[Text] The Civil Aviation Department (DAC) on 3 March reported that Major Brigadier Renato Claudio Pereira, president of the Committee for Studies Related to International Air Navigation (CERNAI), on 1 March signed a bilateral air transportation agreement with Macau, the Chinese territory that will be administered by Portugal until 1999.

Signing the agreement for Macau was Jorge Ferreira Guimaraes, president of the Civil Aviation Authority. The agreement now will be reviewed by the Sino-Portuguese Liaison Group.

A DAC communique states that the agreement "is characterized by liberal operational provisions enabling the two parties to offer air services between Brazil and Macau to meet the needs for transportation of both passengers and cargo between the two parties, including those of third countries."

Macau is located on the southeastern coast of Asia, 64 km west of Hong Kong. The agreement will give Brazilian companies greater access to the Asian market.

Chile

President-Elect Frei Views Aylwin Administration

PY1003215094 Santiago Television Nacional de Chile Imagen Internacional Spanish 0000 GMT 10 Mar 94

[Interview with President-elect Eduardo Frei Ruiz-Tagle by "24 Horas" program anchorman Bernardo de la Maza at the Television Nacional de Chile studios on 9 March—live or recorded]

[Excerpt] [Passage omitted] [De la Maza] The Codelco [Copper Corporation] case has undoubtedly tarnished the last days of President Aylwin's administration. Will it influence the start of yours?

[Frei] It is a national problem. It does not involve an administration, it involves our country and it must be solved.

Apart from the proceedings to resolve this case—which are being handled by the courts, the office of the comptroller general, the state defense council, and the Chamber of Deputies—the country is interested in our future actions.

We want to establish a very strong modernization process. We have already begun by not appointing an executive vice president: Each managing director will be responsible for his area.

When formed, we will announce the new board of directors. We will announce it when the new Codelco executive officers are appointed. We will very strongly encourage the modernization of this company, which is a key company in the country.

[De la Maza] When one views what happened in Codelco, one believes it maybe is without solution. It apparently involves a man who—acting wrongly—took the money of Chileans and—in a nutshell—speculated on the international markets and lost more than \$200 million in just a few weeks. What can be done to prevent this type of action?

[Frei] I believe there must be a control system. Every company in the world ... [changes thought] I am also an entrepreneur, I have worked for many years in private companies. There was no control. We must find out why there was no control.

Within the modernization process, we must clearly establish responsibilities and ensure that control is applied every day.

[De la Maza] It has been said recently that no one will pay for this loss, that Chileans will not have to pay it because there was some reserve money. Do you agree?

[Frei] If Codelco receives less money in the next few years as future transactions are completed, it is obvious that Chile will receive less money.

[De la Maza] So all Chileans will have to pay for this loss in some way.

[Frei] Exactly.

[De la Maza] It has also been said that the Codelco case negated the idea of loyal and constructive opposition to the administration of President Patricio Aylwin. Do you agree?

[Frei] I do not. I have spoken with members of the opposition. I invited the presidents of the two main opposition parties, Andres Allamand [National Renewal] and Jovino Novoa [Independent Democratic Union], to dine at my house. We met when I was elected president. We will work together because I believe a president must deal with national issues and should

always seek agreement on national issues. We may have different view points and disagreements, but there are national issues with which we must deal. As president I will deal with them from the national point of view. Regarding the opposition, I would like it to be loyal and constructive; an opposition that states its differences. In a democratic system it is good to have a rotation of governments, opposition, and control; and that is the task of the opposition.

[De la Maza] Do you expect disloyal opposition over the Codelco case?

[Frei] No. Of course, in a process as complex as the Codelco case some people may make inappropriate comments. This is part of our popular tradition but I believe the investigation must continue.

[De la Maza] As of next Monday you will be the president in La Moneda Palace. Among the measures you will be unable to adopt is that of removing the Army commander [General Augusto Pinochet]. As a democrat how do you feel, faced with this situation?

[Frei] From the point of view of principles—as I have always said—I would like the president to have that right. But I respect the Constitution and the laws because this is a process we started in 1988. We will continue it because, as we always said, this is how we would do it, this is how we did it, and this is one of the successful aspects of the transition.

[De la Maza] Will you suggest to General Pinochet that he leave the Army Command?

[Frei] He has the constitutional right to remain in his post until 1997. As of 11 March, following my inauguration, ours will be a relationship appropriate between the president of the Republic and the Army commander.

[De la Maza] The fact that this situation continues—a situation that does not fully coincide with a democratic regime, along with the situation of appointed senators, etc.—do you believe the transition is not fully completed?

[Frei] I believe—as pointed out in the 1989 program—that some tasks were established for the transition and some were established for the next government. Some were not fulfilled, but we hope to fulfill them during my administration, including those mentioned. These tasks should be fulfilled within a framework of agreement, because under those conditions laws and agreements are permanent and no government will attempt to change them. We will work on those tasks under that spirit.

[De la Maza] Regarding this and other political reforms, such as the electoral law, do you like to move fast or slow?

[Frei] In the appropriate manner because the people are waiting to see how we will solve their real problems, how we will work on issues such as poverty, education, health, environment, and social security—the big issues.

[De la Maza] Will you move faster on those issues?

[Frei] These issues will have priority. This does not mean we will forget other issues. Every issue will be dealt with at the appropriate time. On 21 May [opening of Congress] I will clearly point this out.

[De la Maza] How can the people interpret your decision to appoint a socialist as interior minister?

[Frei] I would say this shows the full consolidation of democracy and that nothing is prohibited for any Chilean.

[De la Maza] As a former businessman—you are known as a businessman—do you believe capitalism is cruel to the poor.

[Frei] Obviously, and this is what we have been trying to change in this country. In only a few countries has it been shown that accelerated development is compatible with social justice and equity. This is what we have been working on during the last few years. We need investments and efficiency to overcome poverty, but we also need a real effort because, as I have said many times in the interior, many Chileans live in conditions similar to the most developed countries in the world, while near us many live in misery. From the point of view of ethics and solidarity, I believe we can and should make an effort. My government will make an effort.

[De la Maza] President Aylwin provided aid, will you increase it or do you feel it is sufficient?

[Frei] I believe we can increase it because the country is in a different condition than when Aylwin received the government in 1989. Agreement has been reached on taxes which allows to spend more on social issues. I will also propose from the beginning of my administration—perhaps make it the number one priority of my government—that the struggle against poverty should be a national issue, not just for the government but for all sectors of the country. We will invite all sectors—workers and businessmen—to a great national crusade against poverty. In my speech on 12 March, I will announce that I will preside over the ministers social committee, emphasizing from the beginning the priority issues of our administration. [passage omitted]

Aylwin Pardons Political Prisoners; Army 'Distressed'

PY1003203694 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 10 Mar 94

[Text] Four political prisoners that have been pardoned by President Patricio Aylwin are in a tense calm, awaiting official notification of his decision.

The four men, accused of having participated in the attack against General Augusto Pinochet in 1986, are in

Santo Domingo Prison, tensely awaiting official notification of their pardon. They were pardoned yesterday by President Aylwin, a decision about which they have not yet been officially notified.

[Begin Alberto Espinoza, lawyer for the pardoned inmates, recording] I know nothing besides what has been published in the newspapers or broadcast on radio. This morning I spoke with Justice Ministry officials, and they did not tell me anything about the resolution. [end recording]

The four inmates pardoned by the president are Hector Figueroa, Oscar Ordenes, Hector Maturana, and Miguel Angel Colima, the latter having been sentenced for participating in the attack against the Los Quenes Police Garrison in 1988. The four men could travel to Belgium, but this has still not been confirmed.

The Army is distressed, Army Deputy Commander Lieutenant General Jorge Lucar said upon learning of the president's decision to pardon the terrorists who participated in the attack against Gen. Pinochet.

[Begin Lucar recording] Our institution is distressed in light of the sacrifice, the murder, of four of its members and a Carabinero. We are faced with a presidential decision, and the Army will always obey the decisions of the government, without a doubt. [end recording]

[Begin Brigade General Fernando Torres, Army prosecutor general, recording] Regrettable. The more so when we all know the manner in which these people acted. It was a premeditated, open attack. Armed Forces men were murdered in cold blood. It was a frustrated attack against the president of the Republic, which is a very serious thing. [end recording]

Regarding the moment chosen by the president of the Republic to grant the pardon, Gen. Torres said:

[Begin Torres recording] It took him a long time because he had doubts for some time about the fairness of this decision. [end recording]

Foreign Minister Defends Human Rights Vote on Cuba

PY1103023794 Santiago Radio Cooperativa Network in Spanish 2200 GMT 10 Mar 94

[Report by Carmen Castro at the Foreign Ministry]

[Text] Chilean Foreign Minister Enrique Silva Cimma today fully justified the Chilean vote condemning human rights violations in Cuba. The Chilean Government adopted two positions, probably in an attempt to seek a fair position on the Cuban situation when this issue was raised again at the annual session of the UN Human Rights Commission in Geneva. A resolution condemning human rights violations in Cuba was issued during this session. This initiative was approved by 24 votes to nine, while 20 abstained from voting.

The UN commission pointed out the need to observe freedom of the press and association in Cuba. The U.S.-sponsored resolution was supported by the Chilean Government, which stated, however, that the economic blockade of Cuba should not have been allowed. In this regard, Silva Cimma said:

[Begin recording] [Silva Cimma] You should not only report that Chile voted against human rights violations in Cuba, but that Chile backed the Cuban request to condemn the unilateral support for the blockade.

[Unidentified reporter] This means that Chile has adopted different positions on the economic blockade of Cuba and on the human rights situation.

[Silva Cimma] Merely because... No, not about the human rights situation, but human rights violations. We believe that unilateral blockades are very harmful, and that human rights must be protected worldwide

[Reporter] Minister, does Chile concur with the special rapporteur's report on systematic human rights violations in Cuba?

[Silva Cimma] It would be an open lack of respect to question a report by a human rights rapporteur. For many years we have demanded respect and positive votes for the rapporteur's reports on human rights in Chile. We continue supporting this position. [end recording]

Silva Cimma said Chile is concerned about any human rights violations in Cuba. He specifically mentioned the right to life and to freedom for people. He said the substantial progress that has been made in Cuba in the social and health areas were admitted especially in Geneva, and that consequently it was not appropriate for the Rio Group to support the blockade of Cuba in that forum.

Future Foreign Minister on Kantor's Upcoming Visit

PY1103002794 Santiago EL MERCURIO in Spanish 25 Feb 94 p C2

[Excerpts] Future Chilean Foreign Minister Carlos Figueroa on 24 February assessed the visit of U.S. Trade Secretary Mickey Kantor for the presidential inauguration as a U.S. Government sign that it favors a commercial relationship with Chile.

Figueroa commented: "I consider him a very important (U.S.) Government official. I also believe his visit is a sign that the U.S. Government favors the search for a significant commercial relationship with Chile, either through a free trade agreement or Chile's acceptance as a NAFTA member, which are, precisely, the subjects we are going to discuss here with the secretary."

Figueroa held a lengthy working meeting at the Diplomatic Academy with the outgoing and incoming Foreign Ministry director generals. [passage omitted]

The meeting's purpose, according to Figueroa, was to review all the ministry's tasks, exchange opinions regarding the ministry's general guidelines, and to discuss specific subjects.

Carlos Figueroa said some of the specific subjects raised during the meeting were Chile's bilateral policy and its relationship with neighboring countries and the European Union, as well as the rapprochement with Mercosur [Common Market of the South].

Brazil's Franco Completes Schedule Despite Flu

PY1103004294 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 10 Mar 94

[Text] Although he has the flu and a fever of 38 degrees centigrade, President Itamar Franco is carrying out all commitments included on the agenda of his visit to Chile.

Warns Against 'Sabotage' of Economic Plan

PY1103011094 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 10 Mar 94

[Relay from Santiago, Chile, by Luiz Augusto Mendoca]

[Text] President Itamar Franco warned that those businessmen who try to sabotage the economic plan will be severely punished.

During a chat with journalists this evening, President Itamar Franco expressed his indignation over the price markups taking place throughout Brazil and asserted that the government must win the battle against price increases by any means.

Franco said that on 14 or 15 March the government will submit a draft bill to Congress containing very strict, severe sanctions on business people obstructing the economic plan.

The president, however, did not mention what type of sanctions the draft bill will contain. According to Franco, since Congress is also interested in doing away with constant price markups, he believes the draft bill might be approved expeditiously through an agreement with party leaders.

As for the abusive price increases, Franco asserted that talks with the business sector are not working, that the government holds talks democratically but despite these talks nothing happens, mentioning the pharmaceutical industry as an example.

Franco, who on 11 March will attend new Chilean President Eduardo Frei's inauguration, also talked about presidential succession and the rumor that Finance Minister Fernando Henrique Cardoso will be a candidate. Franco said Fernando Henrique Cardoso still has said absolutely nothing to him on whether or not he will be a candidate, and that it is up to him and his party, the

PSDB [Brazilian Social Democracy Party], to decide but that he, the president, does not know what the minister has in mind.

President Franco added that if necessary the minister can make a decision in 24 hours but that he still has time because, after all, the deadline to resign in order to run for elections does not expire until 2 April, which means the minister still has 20 days to decide.

Franco ended by stating that the president of the Republic is responsible for choosing the finance minister and that Minister Cardoso, in his capacity as a democrat, would never suggest anybody for the post.

Franco also commented that Congress' decision not to extend the deadline for those holding a public post who want to run for elections to resign will speed up the succession process.

Soon President Franco will be leaving for La Moneda Palace, where he will have dinner with outgoing Chilean President Patricio Aylwin.

Multicarrier Telecommunications System Law Promulgated

PY1003163294 Santiago Radio Cooperativa Network in Spanish 1000 GMT 10 Mar 94

[Text] President Aylwin has promulgated the last law of his mandate: the three A's telecommunications law which, according to Transport and Communications Minister German Molina, will lower telephone fares. During a brief ceremony in the Camellia Garden at La Moneda Palace, Minister Molina pointed out the most important points of the new law.

[Begin Molina recording] This law introduces a contracted or dialed multicarrier system that will allow the public to choose the company with which they want to place their long distance calls, both national and international. This choice may be made from call to call, by dialing the identification code of the carrier the user chooses, or by signing a contract with a determined carrier to channel all their calls through that company. [end recording]

The law also establishes the obligatory interconnection of telecommunications networks, in the case of public services, and the mediating services offered by the long distance service.

[Begin Molina recording] Another important step taken by this law is the adoption of measures facilitating the modernization of the telephone networks, which will mean cheaper telephone fares.

The telecommunications development fund plays an important role in giving the entire public access to telephone services, in that it includes low income users whom market laws did not accommodate. Despite this important step there still remain pending tasks, like strengthening the government's ability to control and

establish norms in order to surmount the imbalance existing between the regulating agency and the regulated companies. This is therefore a pending challenge for the incoming administration. [end recording]

Molina recalled the difficulties in approving this bill, mainly as a consequence of litigation among the telephone companies, which were overcome thanks to the support of everyone. After the ceremony President Aylwin did not wish to speak with the media.

One of Lautaro's 'Most Dangerous' Members Arrested

PY1103025594 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 11 Mar 94

[Excerpts] Investigative Police on 9 March at noon finally arrested Rosa Ester Vargas, the original *mujer metralleta* [submachine gun woman], who is regarded as the most dangerous subversive in the Lautaro group. She was arrested in the country's southern section with two other people. She was transferred today to a Civilian Police post under strict security measures. [passage omitted]

Vargas participated mainly in attacks on banks. Police reported her arrest to Special Judge (Arnoldo Ereise), who investigates the subversive group's actions. She will be placed at his disposal in 10 days.

Roundup of Economic Reports

PY1003235894

[Editorial Report] The following is a compilation of reports on economic activities in Chile monitored through 10 March.

The Spanish Hispano Central Bank invested \$23 million in Chile with the purchase in October 1993 of 11.2 percent of the Bank of Santiago's shares. This bank thus continues the local expansion that began in June 1993 with the purchase of 50 percent of the shares of the O'Higgins Bank, which is controlled by the powerful local Luksic group. (Madrid EFE in Spanish 2114 GMT 24 Feb 94)

The Consumer Price Index increased 0.3 percent in February. Transportation, telecommunications, and housing were the items that registered the highest increase. Accrued inflation so far this year is 1.4 percent. Wholesale prices grew 0.2 percent in February. The unemployment rate in the period from November to January stood at 4.8 percent, a 0.3 percent increase compared with the same period in the previous year. (Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 2 Mar 94)

The Santiago Business Chamber reports that Chilean trade exchange during 1993 amounted to \$20.172 billion, 3 percent more than in 1992. Exports, which dropped 7 percent in comparison with 1992, amounted to \$9.416 billion, while imports, which increased 11.5

percent, were \$10.63 billion. Thus, the trade deficit was \$1.211 billion, the first negative balance in years. The trade deficit with the United States and Canada was \$964 million; Latin America, \$589 million; Africa, \$554 million; Oceania, \$69 million; and the Middle East, \$34 million. The biggest trade surplus was with Japan with \$620 million; the United Kingdom, \$340 million; Taiwan, \$222 million; the Netherlands, \$172 million; and Bolivia, \$150 million. (Santiago Radio Cooperativa Network in Spanish 1000 GMT 7 Mar 94)

Production Development Corporation, Corfo, companies increased their profits 125 percent. These companies comprise the regional sanitary companies; the National Coal Enterprise, Enacar, and its subsidiaries Iscar and Cardile; the Colpun, Edelnor, and Eneaisen electricity companies; the Sofri free zone; the subway company; and the soccer pool. Corfo manager Gustavo Silva said those companies earned profits of 19.75 billion pesos. He added that the historical average investment rate in sanitary works tripled during 1993. (Santiago Radio Cooperativa Network in Spanish 1000 GMT 9 Mar 94)

Colombia

Fuel Tank Explodes Near Attorney General's Office

PA1003160294 Madrid EFE in Spanish 1526 GMT 10 Mar 94

[Text] Santa Fe de Bogota, 10 Mar (EFE)—The explosion of a domestic fuel tank at a restaurant today injured five people and caused alarm in downtown Santa Fe de Bogota, according to the capital city's corps of firemen.

The explosion broke windows in several buildings and caused a fire in a six-story building which was promptly extinguished by the firemen. The explosion occurred when a fuel supply vehicle was filling the restaurant's tanks on Jimenez Avenue. The explosion was so strong that early reports asserted that it was an attack on the building where the Office of the Attorney General is located.

According to one employee, all of the windows at the Attorney General's Office were shattered and there was confusion for several minutes.

Irregularity Investigated

PA1003191694 Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 1730 GMT 10 Mar 94

[From the "National Newscast"]

[Text] A bottled gas cylinder exploded this morning near the Attorney General's Office. The explosion left six injured and damaged several buildings. The area is not dangerous right now, because the authorities have the situation under control. Our journalist Ana Fernanda Valderrama has the report.

[Begin recording] [Valderrama] Thank you, Yolanda. At this time the debris left by the explosion of a bottled gas

cylinder near El Braserito Dorado Restaurant, a few meters from the Attorney General's Office, is being removed. A new tragedy has occurred in Bogota due to lack of foresight. The authorities, fortunately, have the situation under control. Debris is being removed now, but earlier there was real panic, a veritable paralysis of downtown Bogota this morning. These are the first video clips that we have shortly after the tragedy occurred in downtown Bogota.

Members of the Firemen's Corp, Civil Defense, and hospitals, as well as ambulances, arrived to evacuate the persons who were in the buildings and to try to control the situation in downtown Bogota, which was immersed in hectic activity as it is everyday.

The authorities have confirmed that the explosion occurred when a gas truck was supplying gas to El Braserito Dorado Restaurant, at a time when—this is being investigated—a commercial establishment should not have been receiving gas.

Authorities have confirmed that both the driver of the vehicle that was supplying the gas as well as the vehicle are being held, pending an investigation by the Prosecutor General's Office.

We have the government subsecretary of the district, who will give us an official report at this time from downtown Bogota. Go ahead, Dr. Beltran.

[Beltran] At 1011 this morning when the Gas Sur Company was supplying gas to this establishment a bottled gas cylinder exploded, causing what you see here. The authorities of the Prosecutor General's Office have initiated the pertinent investigations. A last-minute report indicates that 26 persons were injured. All have been treated at various hospitals. We learned that nine are in the San Juan de Dios Hospital, seven in the San Pedro Clavel Hospital, two in the San Ignacio Hospital, and eight in the Samaritano Hospital. Fortunately nobody was killed, and the persons who were injured are not in serious condition. There is one, however, who is being given special treatment.

[Valderrama] Dr. Beltran, we want to clear up something that is important. Can gas be supplied at 1000 in the downtown part of the capital?

[Beltran] No. In fact there is a regulation issued by the city mayor that restricts the loading and unloading of bottled gas in downtown Santa Fe de Bogota. Necessarily, it is prohibited to engage in this type of activity from 1000 to 1100 in the downtown part of the city.

[Valderrama] Thus, another irregularity is turned over to the Prosecutor General's Office, which is investigating why this gas truck was supplying gas in downtown Santa Fe de Bogota at 1000 this morning. This has been a report from Jimenez and 4th Avenue, where there was an explosion today in the downtown part of the capital. [end recording]

Attorney General on Cali Cartel Surrenders

PA1003163494 Santa Fe de Bogota EL TIEMPO in Spanish 6 Mar 94 p 25a

[Interview with Attorney General Gustavo Arrieta by unidentified EL TIEMPO correspondent; place and date not given]

[Text] [EL TIEMPO] A month ago, you told this newspaper that the Attorney General's Office was not satisfied with the process [of drug traffickers' surrendering to justice] and also that you would withdraw from the process if your suggestions were not heeded. Do you continue to think this way? Why?

[Arrieta] I did not say I am dissatisfied with the process. Quite the contrary, I said it should be carried out but within certain legal and political parameters. One of them is, necessarily, the existence of a confession. Fortunately, this is what has happened, and today the Attorney General's Office, the Office of the Prosecutor General of the Republic, and the government of the Republic fully agree on this point, which has also been accepted by those who are to surrender.

Regarding the second point, the Attorney General's Office cannot withdraw from the process because its participation is determined by the law. However, we are thinking about the possibility of having somebody who is not the attorney general—the deputy attorney general—attend the preparatory meetings because it is not desirable to deplete our reserves in this type of situation.

[EL TIEMPO] The government hinted that the prosecutor general is being naive in this process and that the traffickers are trying to take advantage of this situation. Do you think this is so?

[Arrieta] I don't think the prosecutor is acting naively. I believe he has taken an eminently juridical position as corresponds to an organization that is part of the Judicial Branch. In this context, it is inevitable that the drug traffickers, who have excellent legal advisers, try to obtain all the benefits and take advantage of the loopholes and confusion in a criminal law that is confusing, profuse, and wordy. Confronted with such a situation, we all have the responsibility of trying to avoid abuses to or the improper use of the law.

The government has vast experience on this issue. The experience is based both on the accomplishments and the failures of the surrender policy. Furthermore, it handles, as corresponds to a government, a political dimension that causes it to be extremely cautious and sometimes biased.

That is why it is necessary for us, without being naive or radical, to join our knowledge and experiences. In other words, let us forget the "La Catedral syndrome" [referring to the scandal prompted by the late drug lord Pablo Escobar's escape from La Catedral maximum security prison in Envigado]. We have to learn from the past and move forward with responsibility and without fear.

[EL TIEMPO] You also told EL TIEMPO a month ago that the drug traffickers had made no concrete offer. Does this still hold true? What exactly has Gilberto Rodriguez Orejuela offered?

[Arrieta] It is important that the country's expectations regarding this process be lowered. A few months ago we were told there would be massive surrenders and that drug exports would be eradicated. This, naturally, generated great hope, both for the public as well as for the government. Unfortunately, the Cali gentlemen changed their position and today only talk about the possible surrender of two persons, one of them relatively minor but the other one, Gilberto Rodriguez, of great importance because of his hierarchy in the so-called Cali Cartel. There is no longer talk about the eradication of drug trafficking but rather of a possible cooperation that could lead to new surrenders or to the gradual reduction of illegal activities. All this is important, naturally, but does not have the political or juridical relevance that the original offer had. That is why we should no longer talk about the Cali Cartel's surrender, but about the possible surrender of Gilberto Rodriguez. That is why I believe we have to lower expectations.

[EL TIEMPO] The discrepancies between the prosecutor general and the government are obvious. What is behind their positions? Will this situation obstruct the process?

[Arrieta] Discrepancies of form and substance among the three institutions involved are inevitable in a process such as this because the persons in charge of the government, the Prosecutor's Office, and the Attorney General's Office are autonomous and willful and sometimes they have different opinions about what best suits the country. What is important is that we, as responsible and sensible people, do everything possible to reconcile our positions and to work harmoniously because this is what suits Colombia. If this is not produced, then each one will have to perform his legal and constitutional functions according to his beliefs of what is best.

[EL TIEMPO] The North Americans have demanded a common position, and this does not exist. What will happen to the supplying of evidence? What will happen if they withdraw from the process? There is the impression that they are pressuring for "hardline" solutions and that they prefer captures to surrenders because they do not like the penalties (too light) that would be imposed in the case of surrenders. What can you tell us about this?

[Arrieta] Unfortunately, a tense atmosphere in the field of legal cooperation has emerged, and we have to overcome it because U.S. cooperation is of fundamental importance. But, regardless of how important this cooperation might be, it cannot be the soul of our policies nor can we depend entirely on it because legal cooperation cannot replace the efforts that must be made by our police, which are the ones that together with the Prosecutor General's Office, must gather the necessary evidence to prosecute drug traffickers.

About the North Americans' preferring capture to surrender, I believe this is something all Colombians prefer also. However, if there is no capture, then the second best alternative would be the surrender.

[EL TIEMPO] What has been the position of the Attorney General's Office on the issues of confessions, indulgence because of collaboration, and house arrests?

[Arrieta] My office has always maintained that confessions must be a necessary requirement, and not just any confession but solid, serious, and complete confessions in which the people and the court authorities may believe and as a basis for which sentences can be applied so that they do not engender impunity or demoralize the people. We have also insisted that collaboration must be significant, specific, and perceptible; that there must be a substantial delivery of assets; and that house arrests would apply only in exceptional cases, in minor cases.

[EL TIEMPO] It is evident that, while the prosecutor general wants the process to move on quickly, the government wants to include elements that take into consideration national and international interests that would make the process move slower. How do you think the process should go?

[Arrieta] This process has legal and political aspects, speaking in the broadest sense. One should not rush because we have learned from experience that if things are rushed, then errors are made. I also believe, though, that we all want the process to move as quickly as reasonably possible. I think that the Prosecutor General's Office now understands the government's concern and that the government now understands the problems of the prosecutor, and all of us know now that this process can move forward only if an interinstitutional effort is made and there is teamwork.

[EL TIEMPO] The role of mediator between the government and the Prosecutor General's Office has caused an ambivalent situation, in which the government accuses you of being the unconditional ally of the prosecutor. In addition, the Prosecutor General's Office argues that your stand is a reflection of that of the government. Where do you stand on this?

[Arrieta] Yes, that is all true, and if the Attorney General's Office has tried to mediate, it is not only because we believe that position is one of our duties, but because we also believe public skirmishes weaken institutions and undermine the credibility and the trust people have in those institutions. We must not forget that only criminals fish in these troubled waters.

[EL TIEMPO] Regarding the surrender of the three presumed Cali Cartel members in January, is your prediction coming true that the ambiguity of some articles of the new Penal Code might create conditions that favor impunity in some particular cases?

[Arrieta] I believe so because many of the articles were poorly drafted; have a confusing content and scope, and lend themselves to many interpretations. For the sake of

preventing impunity, it is necessary that we wed our capabilities and efforts, act in a coordinated manner, and have the ability to stop any goals they will undoubtedly try to score. But, above all, criminals can only be sentenced when proof is available.

[EL TIEMPO] Related to the current controversy, what do you think about the remarks by the justice minister on the Prosecutor General's Office interpretation of Article 369E's scope.

[Arrieta] The Attorney General's Office respects, but does not completely agree with the justice minister's interpretation of Article 369E, nor with the implementation the prosecutor has given it by opening a formal investigation on these proceedings. It is obvious, at least to us, that Article 369E is related to the preceding articles that concern the granting of benefits. We believe that for Article 369E to be applicable, those who surrender must confess or collaborate, either in the proceedings pending against them or in new ones that are begun as a result of the surrender.

Reported Gains by Samper Campaign Discussed

94SM0254A Santa Fe de Bogota SEMANA in Spanish
22 Feb 94 pp 22-28

[Text] Everything seemed to be going badly for the Liberal Party recently. Three weeks ago Carlos Lemos said the party was operating in a "maricon" (homosexual) manner. Two weeks ago, the glittery launch of Andres Pastrana's campaign was presented as the arrival of a new era in political marketing. A week ago, Carlos Lleras de la Fuente announced that he was so concerned about his party's fate that he had decided to submit his name as a presidential candidate. And two days later, Alvaro Gomez—the historic enemy of the Pastrana family—sealed the Conservative Party's unity with his endorsement of Andres.

This string of misfortunes for Ernesto Samper led many people to think that, as things were going, the next tenant of the Casa de Narino (presidential residence) was going to have a moustache. Andres Pastrana, with his gorgeous wife and two precious children, conveys the image of the perfect candidate about to win the hearts of the Colombian people as the leader of this new country.

In high-level social and business circles, the comment always seemed to be the same: "Even though I am a liberal, this time I am going to vote for Andres." In the Jockey Club of Bogota; in the Club Colombia of Cali, and in the Union in Medellin, all bets were on Pastrana. Ernesto Samper, who was traveling all over the country amidst considerable indifference, was perceived as a personality distorted by his managers; in addition, he was zigzagging ideologically between Fernando Botero's new right and the old left of Horacio Serpa Uribe. Many people were starting to announce his political demise.

What may have brought about Ernesto Samper's resurrection was a poll by the CNC [National Survey Center] published in all the media at the end of last week. The poll was paid for by Bavaria, which for the past 16

months has been financing periodic opinion polls on the presidential campaign. In the world of politics and journalism this polling is considered the best barometer of this election contest. All the polls done by the Bavaria brewery had always given the victory to Andres Pastrana over Ernesto Samper. The margin of victory varied, but not the position of the candidates.

But Bavaria is not the only organization doing polls. Other firms, like Opinion Publica [Public Opinion] and Napoleon Franco also conduct polls, and they all had something in common: Ernesto Samper never won. This was extremely difficult for Samper's campaign to explain. When he was ambassador to Madrid it could be argued that he was not in Colombia. After he returned, they could say he was not yet a candidate. But once he had actually begun his campaign swings from department to department, the advantage of Pastrana—who was not campaigning—was difficult to justify. And while that was when his rival was not saying a word, there was no guarantee that things would improve when Pastrana's campaign actually got started. For in addition to being very well financed, Pastrana's campaign has been designed and guided by the expert hand of Luis Alberto Moreno, who left the Ministry of Development to work on the Pastrana campaign.

A Rigged Poll?

Against this backdrop, last week's Bavaria-CNC poll caused a real surprise. In one month the situation had dramatically turned around and Samper, instead of losing, was shown winning both the first and second rounds. The results in the first round: Samper, 38 percent; and Pastrana, 33. In the second round: Samper, 50; and Pastrana, 43. The poll was done between 3 and 8 February, that is, the week immediately prior to the launch of Andres Pastrana. But although this factor was not taken into account, Samper's rebound was surprising.

As the poll was financed by Bavaria, a member of the Santo Domingo Group, there were insinuations that it might have been rigged, as this conglomerate has been somewhat cool toward Pastrana. Still, that suggestion was not persuasive. If they had financed polls for 16 months in which Samper lost and had openly published them, why perpetrate a hoax now? Moreover, Augusto Lopez—Bavaria's CEO—is a reliable man, and falsifying information for electoral purposes would be an extremely grave matter for such a conglomerate. In addition, the new regulations on polls would make any such manipulation difficult, as it could be easily

detected. And finally, Carlos Lemoine and the CNC are putting their prestige on the line in backing the veracity of their forecasts. Therefore, even though there may have been some debate about the methodology—particularly by the Pastranists—the poll's validity could not be seriously challenged.

What conferred the most legitimacy to Samper's resurrection was not just the Bavaria poll. It was the fact that all the other polls done at that time and immediately after began to show the same results. Peter Hart's consulting firm, along with Napoleon Franco, both showed Samper the winner by an equal margin. And an EL TIEMPO poll published on Sunday also agreed. That unanimity demonstrated that, against all expectations, Ernesto Samper had managed to pull ahead of Andres Pastrana during the week preceding the official announcement of Pastrana's candidacy. Though it was very likely that the successful launch of the campaign of the New Democratic Force's candidate would give him a substantial boost, this does not necessarily mean the imminence of a Pastranist victory. What is clear is that Andres Pastrana would face a contender in the ring up to the final round. Ernesto Samper's strategists always expected Pastrana's best time to be the week following the start of his campaign; that is, right now. That was because of the publicity fanfare generated by a new campaign, the charisma of the candidate and his family, and Colombians' propensity to get enthusiastic about anything new. After that phase, though, Samper would have a lot going for him. First of all, his predictable victory in the Liberal Party primary would give him not only the image of a winner, but legitimacy as the sole candidate of liberalism. And this party, despite all its flaws, limitations, and frustrations, is still by far Colombia's majority party.

This factor means that the Liberal Party's sole candidate always has great chances of being elected, even though he may not be the favorite of the multitudes. That is how Gaviria, Barco, and Turbay all reached the presidency without being considered—when nominated—to have great mass appeal. Since 1930 the Liberal Party has never lost an election when it was united. It lost when the party was split over Ospina Perez in 1946 and Betancur in 1982. Obviously, things have changed. Now party affiliation is not as strong as it used to be, and new factors like the second election round have created unknowns. But if Ernesto Samper, the sole liberal candidate, loses the election, it would be the first such case in this century.

Liberal Party Primary

For Which Candidate Do You Intend to Vote?

Ernesto Samper	Humberto de la Calle	Carlos Lemos Simmonds	David Turbay Turbay	Rodolfo Gonzalez	Do not know	Did not answer
59%	12%	9%	8%	2%	7%	3%

Based on people who intend to vote in the Liberal Party primary.

First Round

For Whom Will You Probably Vote?

Ernesto Samper	Andres Pastrana	Antonio Navarro	Miguel Maza Marquez	Enrique Parejo	Regina (Once) Betancurt	Rodrigo Marin	Juan Diego Jaramillo	Rodrigo Llorente	Do not know	Did not answer
38%	33%	11%	4%	3%	3%	1%	1%	0.5%	4%	1%

Based on people who intend to vote in the first round.

Second Round

For Whom Will You Probably Vote?

Ernesto Samper	Andres Pastrana	Do not know	Did not answer
50%	43%	5%	3%

Based on people who will probably vote in the second round.

Technical Polling Data

Conducted by CNC. Financed by Bavaria, S.A. Sample size: 7,550 persons over 18 who expressed their intention to vote in some of the elections in 1994. Group studied: representative sample of the population in urban areas of Colombia. Collection method: personal interviews conducted at respondents' homes. Date of collection: 3 February to 8 February 1994. Maximum error margin for total sample: 1.1 percent. The CNC is registered with the National Election Board.

Samper's Rebound

The question, then, is: if things were going so badly for him just a month ago, why is he doing so well now? Especially running against Pastrana, a candidate with star quality, who so far has made no mistakes. There are two answers to this question. The first is purely and simply the party machinery. All the polls in which Samper lost were conducted when the congressional campaign in the departments had not yet caught fire. They barely got off the ground at the start of this year, and such is the force of the liberal machine that it is producing a snowballing effect for the candidate.

The last Bavaria-CNC poll on the Senate's composition shows that, of a total of 100 senators, it should have about 64 liberals. All these liberal campaigns are putting in money and giving a strong boost that inevitably benefits Samper who, as people now know, will be the official candidate. Napoleon Franco attributes last month's surprising rebound to this factor. Pastrana may have more support in big cities and a considerable edge among the ruling class and young people. But in mid-sized and smaller towns, ordinary people continue to produce the votes. And in this area, the Liberal Party still outperforms its rivals. So when the polls are conducted in the four major cities, Pastrana wins; but when the polling universe is widened, then the Samperist forces appear. And now, with the elections drawing nearer, these forces are starting to make themselves felt.

Party machinery is not the only explanation. There is also the fact that Samper has defined himself ideologically, and so the election is growing more polarized. Pastrana's candidacy has become a candidacy of the center right, and Samper's is becoming a center left candidacy. Both men deny these labels, trying to disguise them with other words. Pastrana rejects the neoliberal tag and calls himself a centrist; Samper defines himself as a supporter of democratic capitalism and places himself in what he calls the social center. But the truth is that Pastrana is the candidate the farthest to the right since Alvaro Gomez. With the difference, of course, that what was considered *reactionary* is now considered *in*. He has bravely announced that he supports the policies of President Gaviria who, economically, has also been on the right, though he does not like the "neoliberal" label either.

Ernesto Samper at one time flirted a little with neoliberalism, trying to harmonize it with the Liberal Party's traditional positions. Then, finding that this strategy was leaving him high and dry, he decided to leave this space to Gaviria and Pastrana and return to the position that liberalism had historically occupied. He went to extremes, like allowing himself to be praised by people like Hernando Agudelo Villa, considered obsolete by contemporary economic thought, people who have upheld the same old economic line for 25 years.

All these decisions entail risks for Samper, especially now that the right is in fashion and the left has become taboo. But not differentiating himself from Pastrana and simply *tagging along* and continuing Gaviria's new capitalism held even greater risks. As Samper himself has said dozens of times in private, he wants to be more like Clinton than Bush. The strategy was to touch this traditional liberal fiber which historically has been able to mobilize the masses.

Left vs. Right

The truth is that both Pastrana and Samper are moderates. Pastrana is shocked by the image of savage capitalism with which people are portraying him, but there are many Colombians who believe that market forces produce better results than state intervention. Particularly in the ruling class, where the Pastrana majority is well known.

And Samper is neither a populist nor a leftist. But he knows that Colombian workers, students, and unions believe that neoliberalism has produced excesses that

need to be corrected. These views are not heard much in the social clubs, but they may be in the majority. His speeches do not mention the word "apertura" [trade liberalization], considered compulsory in the Pastrana group. Samper's key word is "jobs" which, though sounding somewhat trite, is the Colombian people's biggest concern right now. Ernesto Samper is using this traditional strategy, and the results are showing up in the polls. After waffling from side to side for years he has decided to play the liberal card. Today this card is much more to the center than to the left. But in any case, it is different from Andres Pastrana's neoliberal right.

Pastrana, though, is a formidable candidate. He has a great image and while by no means an intellectual, he is ideologically consistent. In handling the media he is infinitely superior to Samper; therefore, defeating him is not going to be easy. But the liberal candidate still has two aces up his sleeve: the party leadership and the vice presidency. When he is proclaimed the official candidate, the selection of these two posts will allow Ernesto Samper to give an image of renewal to the party. This "makeover" may manage to persuade many a skeptical liberal that it is better to be disciplined and loyal to the party. And as 50 percent of the voters are now liberals, compared with 25 percent who are conservatives, if Ernesto Samper can mobilize his party, his victory is highly probable.

To mobilize liberals, they must be made enthusiastic. And the truth is that even though the machinery is running at full speed, there are still signs of lack of interest. The party image is a little out of fashion and modernizing it is essential. Former President Julio Cesar Turbay Ayala, as the party's sole leader, has been conciliatory and effective. But his image—although venerable and respected—evokes other eras. The image of Samper himself is not the best. While he is barely over 40 and comes from the private sector, he has been perceived as an old-style politician. This image contrasts with that of Pastrana, the perfect product for a *marketing* director.

But when Ernesto Samper emerges as the winner of the Liberal Party primary he is going to be running the show, and he may be able to bring about a change enabling him to turn this situation around. As the winning candidate, he can become the sole leader of his party—as the tradition has been in the past—or delegate this function to people who symbolize the new times.

The selection of his vice president will also be a message of the changes the Liberal Party will have to make upon reaching the 21st century. Names like Carlos Lleras de la Fuente, Juan Manuel Santos, and Pedro Gomez have been mentioned in different contexts for the concluding phase of the campaign.

Some strategic decisions of this nature may radically change the profile of liberalism and of its candidate in the final stretch. In a little while, Ernesto Samper will hold in his hands the ability to bring about this shakeup. If he does, he will be elected.

The Truth of the Polls

The years go by, and Colombians are still skeptical about polls. For the experts, the reality is very simple. Polls for the Senate and Chamber are not very reliable because of the number of candidates running. The polls for presidential candidates, when properly done, are reliable. It is almost impossible for them to be in error. This is because it is one thing to ask questions for three or four names, as in presidential elections, and something else for 300 or 400, as in parliamentary elections.

Reservations about the methodology used in the poll released last week showing Ernesto Samper ahead are based on a single point: the inclusion or noninclusion of undecided voters. All pollsters in Colombia agree on two points. The first: of the people who intend to vote in the next election, Ernesto Samper is ahead of Andres Pastrana. The second: people who do not know if they are going to vote or not tend to prefer Pastrana. Therefore, a poll's final results depend on which percentage is attributed to these undecideds. The Bavaria-CNC poll lists 11 percent classified as independents. LA PRENSA criticized this as very low, arguing that independents in Colombia are at about 45 percent. However, Napoleon Franco, a polling rival of Carlos Lemoine, believes that the 11 percent of independents included as certain or probable voters in the Bavaria poll is a reasonable figure.

Press Review of Campaign Activities

94P20489

[Editorial Report]

Samper Attacks Pastrana's Economic Proposals

During an 11 February campaign visit to Manizales, Liberal Party presidential hopeful Ernesto Samper said he was pleased that Conservative Party presidential candidate Andres Pastrana has formalized his candidacy, but he characterized Pastrana's 10 February speech outlining his campaign platform as "short on ideas and proposals." According to a 12 February report in EL ESPECTADOR, Samper said whomever is elected in May will have the "immense responsibility" of pushing forward the economic reforms undertaken by "recent Liberal governments," and, more important, of ensuring that those reforms benefit all Colombians. Samper, a former Minister of Development, said Colombians have two clear choices: the "savage capitalism" proposed by Pastrana that would mean "returning to the past with the model of Reagan and Thatcher," or Samper's proposal of "social capitalism" with a "human face."

According to Samper, Pastrana is "keeping strangely silent" with regard to unemployment and underemployment, which Samper described as the "most serious" problem affecting Colombians, especially women and youth. Samper reminded his audience that, just days earlier, he had presented a "serious and concrete plan" for creating 1.5 million "new, and better jobs." He also

attacked Pastrana's proposals to address problems in the agricultural sector, saying Pastrana has in effect told farmers he will "abandon them to their fate" in the face of unfair competition from industrialized countries. Samper said he is offering a comprehensive plan of renewal for that sector, which could include "granting subsidies such as other countries do." With regard to social welfare spending, Samper said Pastrana is offering the "old style of assistance of the past" in contrast to his own proposal for a "comprehensive and modern social policy" that will "lift half of the Colombian population out of poverty," and increase productivity. According to EL ESPECTADOR, Samper further asserted that Pastrana's platform made no mention of increasing the availability of housing, in contrast to his own plan which promises to provide additional housing for 500,000 families.

Pastrana rejected Samper's criticism of his economic program, according to a 13 February report in EL ESPECTADOR, adding that "one should never give an opinion on something about which one knows nothing. I don't know if Dr. Samper has taken lessons in speed reading to be able to read, in a single night, the 270-page program that I am proposing for the country." (Santa Fe de Bogota EL ESPECTADOR 12 Feb 94 p 5-A; 13 Feb 94, 12-A)

Navarro on Minimum Wage Increase, Pastrana Candidacy

While campaigning in Cesar Department, Democratic Alliance/M-19 presidential candidate Antonio Navarro Wolff told a crowd of some 2,000 persons that, if elected, he will raise the minimum wage by 30 percent in 1995 if inflation remains at the level of recent years. Navarro said this would restore the purchasing power of the minimum wage which, according to Navarro's estimates, has fallen 7 percent during the Gaviria Administration alone.

During an 11 February speech in Cucuta, Navarro said Pastrana's seven-point platform contained "nothing new," according to EL TIEMPO, and he described the Conservative Party candidate as "more Gavirist than Gaviria." At another campaign rally, Navarro said Pastrana's platform offered no "in-depth" proposals for addressing the country's "three historic challenges": an end to violence; treating social justice as a priority; and renewal of the government, freeing it from "clientelism and corruption." (Santa Fe de Bogota EL TIEMPO 9 Feb p 7A; 12 Feb p 9A)

Women's Group Announces Support for Samper

The 70-thousand member National Association of Indigenous and Peasant Women (ANMUSIC) has announced its support for Ernesto Samper and has asked him to consider selecting Cecilia Lopez Montano, former director of the Social Security Institute, as his vice presidential candidate. ANMUSIC director Leonora

Castano is the second on the Senate list headed by Fernando Botero Jaramillo. (Santa Fe de Bogota EL TIEMPO 9 Feb 94 p 6A)

Samper Addresses Organized Labor Concerns on Privatization

In a letter to the president and secretary general of the United Workers Central [CUT] outlining the advantages and disadvantages of privatizing state enterprises, Ernesto Samper said the process should not consist in "leaving a public monopoly in order to enter into a private monopoly" according to EL TIEMPO. Samper made the comments in response to a letter from the two CUT leaders in which they expressed their opposition to Samper's proposal to privatize Telefonos de Bogota (ETB) in order to finance construction of a metro system in Bogota. The labor leaders said such a move would serve to "concentrate wealth, widen the gap between rich and poor, and threaten the democratic system," according to the article.

In his response, Samper said that such "blind opposition" to privatization is "as reproachable" as attempting to use privatizations as "a panacea to cure all the ills and deficiencies of the state," the article states. He said further:

"It's time, dear friends, to begin thinking in a different way. I am convinced of the importance of union representation in democracies, but the role of unions in a modernization process, such as Colombia is experiencing, cannot be that of becoming a permanent obstacle to the processes of change that are inevitable."

Samper said the role of organized labor, like that of the business associations, is to be committed to improving the competitiveness "of our domestic industry in view the common challenge we face from foreign competition." (Santa Fe de Bogota EL TIEMPO 9 Feb 94 p 6A)

Polls Gauge Lleras de la Fuentes's Likely Showing in Primary

A poll conducted 17-18 February by Invaer-Gallup at the request of SEMANA magazine show that Carlos Lleras de la Fuente, who recently announced his intention to compete for the Liberal Party presidential candidacy in the 13 March primary, would receive about 8 percent of the vote. When asked to identify the Liberal Party contender for whom they would vote in the primary, 50.8 percent said they would vote for Ernesto Samper, 13.3 said they favored Humberto de la Calle, 8.4 were for Carlos Lemos, followed by Carlos Lleras de la Fuente, 8.2; Gloria Gaitan, 2.4 and David Turbay, 2.0.

The poll was conducted by telephone. Results are based on responses from 1000 persons, residents of the four largest cities, who said they were likely to vote in the primaries. A 5-percent margin of error was reported.

In a poll conducted 15-16 February by the National Consulting Center (CNC) and reported in EL

ESPECTADOR, 13 percent of respondents said they would vote for Lleras de la Fuente in the primary, compared with 41 who said they would vote for Samper, 10 for De la Calle, 4 each for Lemos and Turbay, and 2 for Gonzalez. No information on polling methodology was reported. (Santa Fe de Bogota SEMAMA 22 Feb 94 p 21; EL ESPECTADOR 18 Feb 94 p 6A)

Effect of Gomez's Support of Pastrana Noted

The National Consulting Center conducted a poll on 16 February at the request of Noticiero CM& to gauge the impact of Alvaro Gomez Hurtado's announcement of support for Conservative Party candidate Andres Pastrana. Gomez Hurtado is leader of the National Salvation Movement faction of the Conservative Party. When asked whether they felt more, less, or equally inclined to vote for Pastrana after Gomez's endorsement, 24 percent said they were more inclined; 12 percent said equally inclined, and 14 percent were less inclined, while 44 said they never had an inclination to vote for Pastrana, before or after Gomez's announcement.

Poll results are based on a random telephone sample of 250 persons in the four major cities, with a 6.2 percent margin of error reported. (Santa Fe de Bogota SEMANA 22 Feb 94 p 21)

Poll Shows Samper Leading Pastrana

A 11-13 February poll conducted by the Washington firm, Peter Hart and Company, after Andres Pastrana's official announcement of his candidacy showed Ernesto Samper leading Pastrana by a 7-point margin. When asked for whom they would vote, 39 percent of the respondents said Ernesto Samper, 32 percent said Pastrana, 10 percent were for Antonio Navarro, followed by 5 percent for Miguel Maza Marquez, 3 percent for Enrique Parejo, and 2 percent for Rodrigo Marin Bernal.

Poll results, reported by radio station RCN, are based on direct interviews with 515 individuals selected at random and represent various social classes. Only those persons expressing a high degree of certainty that they would vote were interviewed. (Santa Fe de Bogota EL ESPECTADOR 19 Feb 94 p 5A)

Pastrana Says Peace is Necessary for Job Creation

Campaigning in Bolivar Department, Andres Pastrana said that his government will create more than 1.5 million new jobs, but it is first necessary to reduce the level of violence in the country, according to EL ESPECTADOR. Pastrana reportedly said:

"The first thing we have to do is to guarantee life, the fundamental right of all human beings, because it is logical and irrefutable that, in order to work, we must be alive," according to the article.

Recalling the peace and prosperity he had found in the region while traveling there several years earlier, he contrasted it with the present climate of fear, saying

people are clamoring for a return to normalcy in the countryside. (Santa Fe de Bogota EL ESPECTADOR 21 Feb 94 p 5B)

Navarro Questions Samper, Pastrana Job Creation Plans

Antonio Navarro has questioned the feasibility of proposals by Ernesto Samper and Andres Pastrana to create 1.5 million or more new jobs if they are elected, according to EL TIEMPO. Navarro said studies conducted by economic researcher Eduardo Sarmiento show that, with the "apertura" [economic liberalization] program in full swing, it would be impossible to create that many jobs, according to the article. (Santa Fe de Bogota EL TIEMPO 24 Feb 94 p 6A)

Authorities Uncover ELN Militia Plans for Bogota

PA1103133994 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 7 Mar 94 p 10a

[Text] Agents from the Prosecutor General's Office and the Bogota Metropolitan Police yesterday uncovered an ELN [Army of National Liberation] plan to form a popular militia group in southern Bogota to meddle in the business sector and spread their ideological work.

Authorities raided a home in Las Delicias neighborhood where they reportedly found several pamphlets urging cooperation with the rebels and planning intimidation and extortion projects for various area businessmen. Seemingly, the ELN militia in Bogota would try to force people to contribute money, which would guarantee their security. " [no beginning quotation mark as published] Three people were arrested in the operation, in addition to the seizure of Venezuelan arms and ammunition, as well as the pamphlets.

Authorities increased operations to try to break up the ELN plan and at the same time guarantee the fulfillment of a proposal by Ciudad Bolivar militias, who offered to demobilize and get their members to rejoin civilian life the way militias have been negotiating in Medellin.

Energy Minister on Oil Negotiations With Cuba

PA1003223394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 10 Mar 94

[Telephone interview with Energy and Mines Minister Guido Nule Amin by Dario Arizmendi; from "Caracol's 0600 to 0900" newscast—live]

[Text] [Arizmendi] Mr. Minister, is the Colombian Government going to reverse itself in its negotiating process with the Cuban Government about the possibility of selling fuel to Castro's island beginning in June, as you suggested to Caracol a few weeks ago?

[Nule] Good morning, Dario. The situation is as follows: We are continuing the same process that we explained a few weeks ago following our visit to the island. The

negotiations continue; we expect that there is a possibility of selling to the island between 15,000 and 20,000 barrels of oil daily beginning in July, [as heard] but this is subject to negotiations, analyses, and evaluations of the terms of these negotiations; that is, a review of purely trade terms, which is a guarantee that Ecopetrol [Colombian Petroleum Enterprise] usually requests. The process continues. No contract has been signed yet. We have clarified this already, but the negotiations continue, and we may or may not reach an agreement.

[Arizmendi] Mr. Minister, won't the boycott that Miami Cubans announced make the Colombian Government reverse itself on the possibility of exporting oil and other oil products?

[Nule] No, we have not thought about it. Personally, I think this would be very serious, because it would mean subjecting any commercial activity [petition], in this case a commercial activity of the country, to pressure by a very respectable group. [sentence as heard] I believe, however, that this is not the way to proceed. Among other reasons, this type of negotiation with the island has also been held with many other countries that maintain embassies in and business with the United States, and there have been no reprisals. I do not see why there would be reprisals against Colombia, nor do I see why Colombia would have to change its trade policies due to, I repeat, pressure from a group, regardless of how respectable it might be.

[Arizmendi] The front page of EL TIEMPO newspaper today, Mr. Minister, carries a report stating that the Simon Bolivar National Guerrilla Coordinating Board was in Havana at an intercontinental summit that was also reportedly attended by a diplomat, a bishop, other prominent personalities of the continent, and of course, from Colombia, persons who have been part of subversion. Would this fact, if proven, stop the negotiation process with Cuba?

[Nule] I do not know, Dario. We at the Mines and Energy Ministry deal with nonpolitical issues, much less with foreign policy. We know that we have diplomatic ties with Cuba, and this allows our trade relationship and do not understand why it cannot be. If there is any inconvenience, we will be appropriately notified in due time, but I do not think it is.... [pauses] besides, I am neither aware of this nor is this among my responsibilities.

[Arizmendi] According to the estimates of the ministry you head, Energy and Mines Minister Guido Nule Amin, how much fuel would Colombia sell to Cuba during the second half of the year should the negotiations materialize?

[Nule] Should negotiations materialize, we would be talking about some 15,000 to 20,000 barrels of oil per day. We need to multiply this by a price that could be between \$14 and \$15 per day [figures as heard]; that is, we could be talking about some \$5 million per month.

Ecuador

Armando Espinel Appointed Information Minister

PA1003175394 Mexico City NOTIMEX in Spanish
2301 GMT 8 Mar 94

[Text] Quito, 8 Mar (NOTIMEX)—Ecuadoran President Sixto Duran Ballen announced today the appointment of his new information and tourism minister, the third to fill the post created a little over one and a half years ago.

At a discreet ceremony held this afternoon in the Carondelet Palace, the seat of the Ecuadoran Government, Duran Ballen appointed and swore in Armando Espinel to replace Carlos Vera.

The Information and Tourism Ministry post was created on 10 August 1992 when Duran Ballen's administration began. Its first minister was Pedro Zambrano, who died in 1992 in an airplane accident in Quito.

Former Minister Carlos Vera was at the palace to turn over the post to Espinel, a renowned businessman in national and international tourist circles. After 14 months at the head of the ministry, Vera resigned on 22 February due to public differences with Vice President Alberto Dahik. The differences came to light when Dahik said the government was studying a plebiscite to learn of the people's opinion about possible reforms to the Constitution. Vera expressed his disagreement and argued that the announcement of such a significant topic should be exclusively reserved for the president.

At the transfer-of-command ceremony, Duran-Ballen denied rumors about the possible elimination of the Information and Tourism Ministry. The president announced that the ministry will be restructured and tourist development efforts will be promoted on an international level. He said that the Press Office of the Presidency will be in charge of information and attention to media representatives until a special office is created for that purpose.

Espinel is an experienced businessman who has connections with the tourist sector in Ecuador and abroad. Among the relevant posts he has held is that of president of the Tourism Conference of Latin America.

Paraguay

Russian Oil Company Official Interviewed

PY1003233094 Asuncion ULTIMA HORA in Spanish
26 Feb 94 pp 4-6

[Interview with Favaris Davietjarov, vice president of the Russian Rosneft company, by Borja Loma in Asuncion; date not given—all names and titles as published]

[Text] [Loma] Please tell us why the Rosneft company has come to Paraguay?

[Davietjarov] I would like to say first that Paraguay is for us a new country. Our company is working in nearly every country in the world, except Paraguay. Second, we always thought Paraguay was a dictatorship like Russia was. We now know you are on the road to democracy and as we understand it, your government seeks to give the Paraguayan people a better, a more dignified life. This is what we want for our own people: a dignified life for all. You must know that Russia is one of the largest oil exporters in the world, but because some of our oil has run out, we have people looking for oil in different places. This is why we thought there may be oil in Paraguay.

[Loma] You know the Americans are already here looking for oil.

[Davietjarov] We know the Americans are looking for oil in Paraguay. We want to know what is happening here. We want to know exactly what the possibilities are here. This is our first contact. We also want to know about the relations you have with other oil companies. After that we will know what to do. This is only the start. We can be a good competitors for the Americans. We have good experts. Not everything that is American is necessarily better, especially regarding the first stages of prospecting for oil. We are the best at that.

[Loma] What is the role of Rosneft in the Russian economy?

[Davietjarov] Rosneft controls 70 percent of the Russian oil market, 65 percent of byproducts, and 65 percent of the sale of oil fields in the country. From the Russian map, you can see we control over 70 percent of the oil territory. It is a company that has more than 1 million workers [as published]. It controls over 55 percent of the oil business in Russia. I am the vice president of the consortium that used to belong to the state, which is now in the process of privatization. This process will conclude late this year.

[Loma] Could you tell us in what Latin American countries your company has commercial interests?

[Davietjarov] We have been in Cuba for a long time, supplying oil. In Venezuela we buy and sell oil. We also worked with various U.S. companies with interests in Latin America. We buy machinery and oil extracting equipment.

[Loma] You do not operate in many Latin American countries.

[Davietjarov] We work mostly with the Americans in this continent, especially with West-coast companies which deliver oil and byproducts to the East coast of Russia because it is too far to bring it through the European part of Russia.

[Loma] What is your opinion of the international oil market following the imbalances created by the Persian Gulf War, and the fall of the Communist system in your country and in Eastern Europe?

[Davietjarov] The market collapsed but our exports did not decrease. They remained at the same level. The international oil price dropped but this did not influence the Russian market.

[Loma] What role do you believe Paraguay could play in the international oil market?

[Davietjarov] Paraguay buys oil from Algeria. You must produce oil in your country if you are to influence the market. We believe that because Paraguay is located in the heart of South America it could become a good platform for exchanging Brazilian oil, for example, with Chile and other countries after the Mercosur [Common Market of the South] becomes operational. A big oil refinery could be built here to produce oil byproducts for neighboring countries. We met yesterday with Integration Vice Minister Fadlala and saw many positive points in the program he showed us. Paraguay can play a major role in the Mercosur even if no oil is found here.

[Loma] Will you look for oil here?

[Davietjarov] No, but we are ready.

[Loma] Ready, for what?

[Davietjarov] To meet with the minister and discuss the problems and possibilities. We will then make our offer.

[Loma] This delegation seems to be the most important to have arrived in the history of bilateral relations. Does this represent greater rapprochement between the two governments?

[Davietjarov] Our government program consists of maintaining good relations with all countries as well as integrating into the world and working in any country. We are not here only to carry out propaganda in our favor but also to learn. We have to learn the good things existing abroad. It would be a great pleasure for us to learn many things in Paraguay.

[Loma] During your first news conference, as soon as you arrived, you noted that you did not know much about Paraguay, but you would be interested in obtaining more information with the goal of establishing commercial channels. Have you learned anything significant yet?

[Davietjarov] This is the first time that we are meeting and become acquainted with the people here—not only at the ministries, but also on the streets where we have talked with various pedestrians. We are becoming acquainted with the city and everything is going step by step. If you only meet ministers, you do not get much information. It is necessary to become acquainted with the people, and we are doing just that.

[Loma] Can you tell me if you have signed any political or economic agreement?

[Davietjarov] We have been here for a very short time. We have held and we will hold many meetings. We have

presented our offers. I can only tell you again that we are ready. We hope our offers will be interesting for Paraguayan entrepreneurs and businessmen. We are ready to sign agreements. We have more than 1 million people working in our consortium. We are sure some Paraguayan products will be of interest in Russia or at least for your consortium.

[Loma] According to assessments by various international observers, the political situation in Paraguay is not entirely stable at this moment. What would your enterprise do if the democratic process were discontinued here?

[Davietjarov] We are interested in good relations, especially economic ones, which should take place within an atmosphere of political stability. Nevertheless, I am sure that we, like any foreign company established here, can work well under any political system. Business is business.

[Loma] What was your perception of Paraguay while you were in Russia? What is the Russian people's perception of Paraguay?

[Davietjarov] In our encyclopedias we have accurate information on Paraguay. From the newspapers, I had a factual report that the political system had changed and that the country was on its way to democracy. I am mentally blending this data with what I now see here for myself. We hope that democracy will continue in Paraguay.

[Loma] Let us now discuss your country's domestic situation. The IMF has admitted that your program of reforms is too risky and did not take into account, or took very little into account, the social cost, which is very high. Do you agree?

[Davietjarov] I can only give you my personal opinion. Our people, rich or poor, will not back down. Everyone in our country dreams of liberty. We say in Russia that bread alone is not enough to live on. Our people are beginning to enjoy liberty and do not want to lose it. Not just liberty, but also the privatization program, which is going very fast. For example, the privatization of the oil industry. Some 25 percent of our enterprise has been offered to the workers, completely free of charge. Another 15 percent has been offered to them, allowing them to purchase shares over three years without paying any interest. These special measures have been exclusively implemented in the Russian oil industry. Because our enterprise is taking the initial steps toward privatization, the majority of stock must remain in the hands of the government. The complete process will take about three years. I believe this is the appropriate way to do things. This is the general situation. Most people support the government in the implementation of the program of reforms.

[Loma] President Yeltsin has just replaced the economy minister, who was very radical, by someone who is more conservative, seeking to reduce the pace of reforms. Do you believe this is a timely change?

[Davietjarov] I personally know the new economy minister and can say that he is in favor of a market economy.

Unlike you, I do not believe this change of ministers necessarily means a slower pace toward a market economy. There is another, more simple explanation for this change of ministers. When you are heading for an unknown location, you must first go slowly, but on other occasions you must go at full speed. I can tell you that our government program will not radically change. We have a new parliament in which there are many economists. I am sure that their decisions will be correct. Our people understand perfectly that problems always occur during changes of this magnitude.

[Loma] What is your personal opinion of Vladimir Zhirinovskiy and on the great success he achieved in the past elections.

[Davietjarov] I am personally sure, very sure, that Vladimir Zhirinovskiy will never be our country's president.

[Loma] Why not?

[Davietjarov] Because he totally lost the success he achieved in the elections following his remarks and visits to various foreign countries. The Russian people now know him well. I believe Vladimir Zhirinovskiy should stop considering himself the future president of Russia.

[Loma] What is your personal opinion on Russia's current situation? Do you believe the West has abandoned you in a sense?

[Davietjarov] My personal opinion is that Russia, alone, must be able to succeed. We have great scientists and intellectuals. The country can succeed alone and overcome this difficult situation. If the West moves away, it will return sooner or later. It is not a problem. (he laughs)

[Loma] Would you like to add anything for the Paraguayan people? What would you like to tell the Paraguayan people from the Russian people?

[Davietjarov] No one in my country has given me the right to speak in his or her name. Nevertheless, as an ordinary Russian citizen, I hope you will continue on this democratic path and have good relations with all countries, including Russia. Our people work hard and, according to what I have seen so far, Paraguayans also work hard. We have something in common. I hope Paraguay will be modernized as we are being modernized.

Roundup of Economic Reports

PY1003234194

[Editorial Report] The following is a compilation of reports on economic activities in Paraguay monitored through 10 March.

National Telecommunications Administration President Miguel Horacio Gini reported that the president of the Republic has authorized the signing of a \$26 million loan agreement in Japan. This credit will be used to build

a new earth station, to restore the old facility, to implement a digital link, and expand the international telephone communications plant. (Asuncion ABC COLOR in Spanish 8 March 94 p 18)

The Central Bank reported that the consumer price index in the year's first two months rose 6 percent; last year it rose 5.5 percent. The inflation rate was 3.1 percent in January and 2.9 percent in February. Food registered the highest increase with 1.1 percent; other expenses, 1.6 percent; housing, 0.1 percent; and clothing, 0.1 percent. (Asuncion ABC COLOR in Spanish 8 Mar 94 p 13)

Peru

APRA Leader Says Party Will Run in '95 Elections

PY1103012594 Lima EXPRESO in Spanish 23 Feb 94 p A6

[Text] Former APRA [American Popular Revolutionary Alliance] Secretary General Luis Alva Castro acknowledged that there is a real crisis in his party, admitting also that many mistakes were made during the administration of Alan Garcia.

He said, however, that the crisis is not affecting the APRA alone, but, in general, all parties in Peru and the rest of the world. "As far as we are concerned, enormous efforts are being made to make renewed and updated proposals that can convey a message of hope to people," he said.

As for the mistakes made during the APRA government, he said that despite this, it should be admitted that there were major achievements like decentralization, which produced the democratization and transformation of the state, giving towns the opportunity to independently build their own future.

He said: "Unfortunately, all this has been left behind because we are a country in which centralism prevails."

In this regard, Alva Castro said the future and history will make a much more accurate balance, without either annoyance or passion.

"Let us allow the party and its leaders to build the future for the consolidation of this institution so that it will continue to contribute with its experience to the country's sociopolitical development," he said.

He explained that APRA still has political weight in the country, and that the clearest proof of this was seen on 18 February on the occasion of the meeting for the Day of APRA Solidarity.

"The party has social power, and it is fully convinced that its leaders and members will join efforts to find a renewed image. That is why we will participate in the 1995 elections. We will choose a presidential candidate later," Alva Castro said.

Concerning former President Alan Garcia's new work as novelist, he said he has the right to use his knowledge, talent, and capacity in literature. "This occurs because Alan has decided to stay far from the current national situation," he said.

Movement Seeks Release of General Salinas

PY1103024894 Lima EXPRESO in Spanish 22 Feb 94 p A8

[Text] Retired General Jose Pastor Vives on 21 February said the "13 de Noviembre" Civic Movement has no political objectives and will dissolve after attaining its main objective, which is the freedom of retired General Jaime Salinas Sedo and the eight officers being held at the military prison in Real Felipe fortress, serving their sentences for a November 1992 coup attempt.

He said the organization is trying to gather 50,000 signatures all over the country to endorse an amnesty bill within the framework of the popular legislation mechanism Congress is debating.

Pastor Vives categorically emphasized that the movement is exclusively of a civic nature and that it has no other political objectives. He added: "Gen. Salinas has no political ambitions, as he himself explained on several occasions."

He explained, however, that Salinas can make his own choice after being released and that the organization has nothing to do with it.

For his part, Salinas' lawyer, Javier Valle-Riestra, said during the presentation of the movement on 18 February—and also in interviews that he granted to the media a few days later—that Salinas might be a good presidential candidate for 1995.

Journalists Demand Release of Detained Colleagues

PY1103005394 Madrid EFE in Spanish 1830 GMT 9 Mar 94

[Text] Lima, 9 Mar (EFE)—A Peruvian Journalist Association (CPP) spokesman said on 9 March that some 30 Peruvian journalists are prisoners in various Peruvian jails on charges of maintaining relations with terrorist groups.

A group of imprisoned reporters has decided to begin a protest hunger strike at the Campo Grande Lima prison, demanding that courts speed up the trials in which they are involved, a spokesman said.

The CPP official also denounced the case of journalist Juan Tuanama, a reporter for the weekly magazine JUNGLE of Tingo Maria, who remains in jail despite a judge's order to release him after being acquitted. Tuanama is accused of participating in various terrorist acts during the time he was in prison, the source said.

Other arrested journalists are charged with the crime of "advocating terrorism" because they worked at the newspapers EL DIARIO and CAMBIO, the newspapers of the Shining Path Maoist gang and the Tupac Amaru Revolutionary Movement (MRTA), respectively.

"They worked on those publications when the newspapers were legal leftist outlets and had nothing to do with the subversive groups who took over the newspapers afterward," the CPP spokesman said.

The official also reported that the Supreme Court annulled a lower court decision releasing journalists Alicia Figueroa and Gisela Gutarra and ordered that they be arrested again.

Imprisoned journalist Monica Palomo, who is five months pregnant, has been urgently sent to a Lima hospital due to a placenta detachment that is threatening to cause the abortion of her baby.

French Authorize Peruvian Fishing Exports

PY1103001494 Madrid EFE in Spanish 0017 GMT
10 Mar 94

[Text] Lima, 9 Mar (EFE)—The Peruvian Foreign Ministry reported that the access of Peruvian fishing products to France has returned to normal levels. Today France included Peru on the list of countries authorized to export its products to the French market.

A Foreign Ministry press release reported today that the French official newspaper has published information directed to French importers of fishing products, incorporating Peru on the list of nations authorized to sell them their products.

The note adds that the French Government has fulfilled the administrative requirement of including Peru on the list of countries permitted to export to their market, as it committed itself on 24 February when it announced it would do so "as soon as possible."

On that date, a Peruvian Foreign Ministry note reported that French authorities had communicated to the Peruvian Government that they were taking the necessary steps to fulfill the administrative requirements for publication of the list of accepted Peruvian firms.

The French Government said on that occasion that "there is no discrimination" affecting Peruvian fishing products' entry into the French market.

On 22 February, it was reported in Lima that France had forbidden the importation of Peruvian hake as a result of French unions' protests demanding protective measures from their government.

Roundup of Economic Reports

PY1003234494

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 10 March.

The "Peru Textile Fair" ended very successfully in Tokyo, Japan. Several Peruvian textile industries displayed cotton and alpaca clothes, thus increasing the chance of exporting to Japan. The Peruvian industrialists representing 16 companies negotiated with Japanese wholesale importers, who were surprised at the quality of the products. A seminar also was sponsored as part of the fair in order to report on the characteristics of the Japanese textile market and to properly train Peruvians for future negotiations. (Lima LA REPUBLICA in Spanish 24 Feb 94 p 2)

The Chinese Bank has agreed to a \$40 million loan to support social projects being implemented by the government. President Fujimori noted that the Chinese credit is one of the most advantageous ever granted to Peru because the interest is much lower than that of international banks. He said China has granted to Peru \$55 million in credits and \$16 million in financial aid in the past 12 months. (Lima EXPRESO in Spanish 23 Feb 94 p A6)

Several specialists told EXPRESO that the Peruvian foreign debt notes suddenly dropped from 72 percent to 65 percent last week because foreign investors reportedly are starting to evaluate the impact of the norms on the exchange of debt for privatization. Most believe that those who bought 70 percent of the debt notes made a bad investment because Peruvian debt notes will continue to drop in upcoming days. (Lima EXPRESO in Spanish 24 Feb 94 p A24)

The National Institute of Statistics and Information Science reported that the February inflation rate in metropolitan Lima was 1.8 percent, raising the cumulative inflation rate for the year's first two months to 3.7 percent. The GDP rose 9.7 percent in January compared with the same month last year. (Lima EL COMERCIO in Spanish 2 March 94 p A1)

On 3 March, the Lima stock exchange hit a record \$63.3 million as a result of the successful privatization of the Peruvian Telephone Company, which sold 74 percent of its shares. (Lima EL PERUANO in Spanish 3 Mar 94 p B1)

The Special Privatization Committee reported that the government has decided to accept \$60 million worth of Peruvian foreign debt notes in the privatization of the Central Peru Mining Enterprise. The base price for the sale of the company is \$280 million. The name of the owner of 100 percent of the shares will be disclosed on 11 April. (Lima EXPRESO in Spanish 3 Mar 94 p A23)

The Central Reserve Bank's net international reserves rose to \$2.968 billion through 22 February, \$182 million

more than in late January. It has increased \$267 million so far this year. (Lima EL COMERCIO in Spanish 28 Feb 94 p B16)

Uruguay

Roundup of Economic Reports

PY1103033194

[Editorial Report] The following is a compilation of reports on economic activities in Uruguay monitored through 10 March.

Despite the trade surplus in the last month of 1993, the 1993 trade balance deficit reached a record \$679.1 million. This was the result of exports that totalled \$1.6453 billion, a drop of 3.4 percent, and imports of \$2.3244 billion, an increase of 13.7 percent. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 21 Feb 94 Economic Page p 10)

The Central Bank reported that the value of fishing exports was \$69.6 million in December 1993, a drop of 25.8 percent compared with the \$93.8 million in the same month in 1992. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Feb 94 Maritime News Section p 1)

The export of nontraditional products increased 20.5 percent between 1989 and 1993. The items that registered a significant increase are: dairy products, 42.5 percent; lumber and furnitures, 166 percent; rubber products, 16 percent; machines and electrical appliances, 53.4 percent; and transportation material, 136 percent. The export of traditional products dropped 27 percent in the past four years. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 24 Feb 94 p 8)

The National Ports Administration will invest a \$2 million loan from the World Bank to finance projects in the port of Montevideo. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Feb 94 Maritime News Section p 1)